EIGHT PAGES FROM SUNDAY'S
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WEEKLY REVIEW
INSIDE TODAY

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VENTILATION MEANS...
Venta
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Al-Fajr editor Hanna Siniora stands by one of his cars set alight by PFLP arsonists yesterday. (Israeli)

Siniora's two cars burned

By JOEL GREENBERG and ANDY COURT

Vandals yesterday set alight two cars belonging to *Al-Fajr* editor Hanna Siniora, who recently announced his intention to run for the Jerusalem city council. The Syrian-backed Popular Front for the Liberation of Palestine claimed responsibility for the arson, and said it was a response to Siniora's initiative.

A slogan signed by the PFLP and daubed on a wall near the cars read: "Jerusalem will remain the capital of Palestine."

The fires constituted "a cowardly and undemocratic act, committed by people who are politically bankrupt," Siniora said last night. He compared the action to the torching of his car five years ago by the Village Leagues, an organization of Palestinian rural leaders which had been backed in the past by the Israeli authorities.

"Today the PFLP is similar to the Village Leagues," Siniora said. He added that he was "more determined than ever" to pursue his initiative.

In a statement from Damascus broadcast on Radio Monte Carlo, the PFLP said the fires were "a reaction to [Siniora's] declaration, and a warning to him and his supporters that if he does not change these

(Continued on back page)

Shamir raps pope's Waldheim audience

By BERNARD JOSEPHS
Jerusalem Post Reporter

Prime Minister Shamir yesterday blasted the pope's decision to grant an audience to Austrian President Kurt Waldheim. He said that the invitation from the Vatican could be seen "as a kind of legitimization" of the crimes that Waldheim was accused of.

Shamir's remarks, made at a press conference at the Prime Minister's Office following his return from his four-nation African tour, are like to deepen the rift between Vienna and Jerusalem over the affair.

Austrian Foreign Minister Alois Mock strongly rejected Israel's criticism of the visit and lodged a diplomatic protest. In a television debate, Mock said he had instructed Thomas Klestil, his most senior aide, to summon Israeli chargé d'affaires Gideon Yarden yesterday to tell him "that we don't put up with that."

Waldheim will be granted an audience by Pope John Paul II next Thursday in what is his first official visit abroad. The visit has been denounced by Jewish organizations in many countries.

Mock termed official Israeli criticism of Waldheim's meeting with the pontiff "an unfriendly act."

Waldheim has been accused of direct involvement in Nazi atrocities in the Balkans while serving as a lieutenant in the German army during World War II. He has acknowledged lying about his whereabouts in the latter part of the war, but has denied wrongdoing.

Mock, whose conservative people's Party backed Waldheim for the presidency, warned of a further deterioration in Austrian-Israeli ties.

Shamir said there was nothing Israel could do, "except express unhappiness and regret" over the pope's decision.

He said: "Taking into account the fact that there are very severe accusations against Waldheim, this could be explained to the world as a kind of legitimization of the crimes he committed, according to these accusations."

(A senior Vatican official said over the weekend that the pope decided to receive Waldheim following repeated requests by the Austrian president's office. He thus contradicted a statement by Waldheim's spokesman Gerold Christian, claiming that the audience was arranged at the pope's initiative.)

The chief rabbi of Italy, Eliahu Toaf, told Galei Zahal yesterday that the Jewish community's bitterness over Waldheim's coming visit was "shared and understood by the Italian public at large."

He said the Jewish community, as well as other concentration camp survivors and the Italian partisans

(Continued on Page 2, Col. 1)

Only English matriculation on the air

TV, radio to remain silent

By GREER FAY CASHMAN
Jerusalem Post Reporter

Israel Television and Radio are likely to remain silent today, with the only broadcast permitted being the English matriculation examination on the Second Programme this morning.

Histadrut Secretary-General Yisrael Kessar announced that he would be meeting this evening with Education Minister Yitzhak Navon and Finance Minister Moshe Nissim to find a solution to the Histadrut's dispute with the Israel Broadcasting Authority.

The Histadrut on Friday ordered the technicians home after the IBA moved to have a lock-out. The technicians are protesting against the non-payment of a 6 per cent wage increment, awarded by a labour court, retroactive to April 1, 1985. The Treasury has not approved the funds to pay it.

Although the radio and TV strike now moves into its fourth day it did not rate a mention in the cabinet session yesterday other than a passing reference by Minister-without-Portfolio Yosef Shapira, who said there should be no move to amend the broadcasting law – which the government is considering – until the crisis is over. Histadrut Trade Union chief Haim Haberfeld was optimistic yesterday that the dispute would be settled this evening. Israel Cohen, spokesman for the education minister, who has parliamentary responsibility for the IBA, said the outcome would be satisfactory only if all sides to the dispute demonstrated a willingness to yield a little ground.

"Let them give us our 6 per cent and we'll go back to work," said Eli Kiryati, one of the most vocal members of the TV technicians' works committee. Meanwhile the journalists at Television House warned that if the technicians got their 6% without giving something in return, there would be dangerous repercussions in other sectors. The journalists were demanding that the technicians operate mobile units in exchange for the extra pay.

Educational Television went on the air as usual at 8 a.m. yesterday, and the Histadrut chose not to make an issue of it, explaining that ETV was not involved in the dispute. On its 5 p.m. *Erev Hadash* programme, Histadrut Trade Union chief Haim Haberfeld sparred with Natan Brun, a member of the IBA management committee, who charged that Haberfeld had allowed ETV to continue broadcasting so there would be a television programme on which he could appear.

Army Radio chief Nahman Shai and IDF officers agonized yesterday over whether to change the Army Radio news format, and decided finally to leave things as they are – at least for today. "The public will just have to change its habits and learn to tune in on the half hour," said Shai, noting that the Army Radio is carrying the ball around the clock.

Meanwhile, Labour and the Likud have reached an agreement to dissolve the IBA seven-member management committee and the unwieldy 31-member plenum. They are to be replaced with an 11-member board of directors with five members each from Labour and the Likud and one from the National Religious Party. The incoming chairman will be a Labour man. Tipped to fill the post is Israel Peleg, the director of the Government Press Office and a member of the outgoing management committee. Legally, the management committee was bound to disband on June 30, and the plenum was to remain in office until its successors were named or there was a change in the law.

Nissim determined to teach a lesson

Egged may grind to a halt

By JONATHAN KARP and ASHER WALLFISH

TEL AVIV. – Egged will stop all buses at 6 this evening, the bus cooperative's spokesman said last night. Gideon Talmor said that it was necessary to cease all night-time services after Egged's emergency units reported that there was only enough fuel to last until 6 p.m. Talmor said that service would resume tomorrow morning, but he indicated that the fuel supply would not last the whole day and all Egged services were liable to be halted.

The cooperative, which ordered selective disruptions to night-time services during the past week, warned that its financial troubles were worsening every day. Egged blamed the government for not transferring required aid.

The cooperative last night won a reprieve as the Tel Aviv Magistrates' Court postponed discussion until Thursday of criminal charges filed by the Transport Ministry against the cooperative and its former secretariat.

Judge Asher Arbel agreed to the postponement after Egged's attorney, Ram Caspi, admitted that urban services were disrupted on June 15. When the trial resumes, Caspi is to present evidence that the reduction in services was justified by financial considerations.

The decision represented the second significant deferral in what has been a flurry of legal action to penalize Egged for disrupting services and force it back to work. It surprised and disappointed the Transport Ministry, because Judge Arbel seemed determined to finish the case quickly and deliver a ruling.

In yesterday's cabinet meeting Prime Minister Shamir decided that the government should not issue a special appeal to the bus cooperative to end the strike and resume normal service, but instead should leave it to Transport Minister Haim Corfu and Finance Minister Moshe Nissim to conduct quiet negotiations. Corfu returns to Israel today.

(Continued on back page)

U.S., Soviets, UN plan end to Gulf war

WASHINGTON (AP). – A top White House official said yesterday that the United States, the Soviet Union and other members of the UN Security Councils are working on a peace plan to end the Gulf War.

"We're working to engage the Russians and the other permanent members of the council in a call for a cease-fire and return to boundaries, exchange of prisoners, other arrangements backed by mandatory sanctions, and we've found to our surprise that it has elicited the support of all the permanent members," Undersecretary of State Michael H. Armacost said in an interview on CBS television's "Face the Nation" programme yesterday.

The U.S. and the Soviet Union have been involved in the effort because "we share at least temporarily an interest in the region, an interest in preventing an Iranian victory in the war," Armacost said.

He emphasized, however, that the talks do not include naval protection in the Gulf.

More than one million soldiers, most of them Iranians, have been killed in the seven-year war, according to Iraqi Foreign Minister Tareq Aziz. Aziz admitted at a news conference in Caracas that there were no exact figures on casualties. But he maintained that between five and 10 Iranian soldiers have been killed for every Iraqi soldier who died. Aziz arrived in Venezuela two days ago, as part of a tour of countries belonging to the Security Council. (See Gulf War, p. 3)

Histadrut weighs call for general wage dispute

By JEFF BLACK
For The Jerusalem Post

Histradut Trade Union Department leaders are on the verge of declaring a general labour dispute over deadlocked wage negotiations with the Treasury. The secretary-generals of the trade unions are to meet early this morning in Tel Aviv to decide on their next steps.

The Treasury is sticking to its position that, following the 1986 pay rises, there is no reason for further rises this year unless productivity increases.

Ephraim Jiloni, the Histradut's No. 2 trade union official, told *The Jerusalem Post* last night: "We want to make it clear to the Treasury that they have to take these wage negotiations seriously."

Jiloni refused to specify the options Histadrut leaders had, but he did say he thought a general labour dispute would be announced. However, no action would be taken until after the next round of negotiations with the Treasury, scheduled for Thursday.

If the Treasury came prepared for serious negotiations, said Jiloni, then no industrial action would be taken.

Father and son held as terrorists

LOD (Itim). – A father and son from Tira, believed to be members of a terror gang, were remanded in custody by the military court here yesterday until the end of the proceedings against them.

Wasfi Ahmed Mansour, 49, and Nasser Ahmed Mansour, 20, are believed to have been involved in a number of terrorist incidents recently.

According to the prosecution, Wasfi Mansour has admitted planting the bomb that exploded in a Haifa-Jerusalem bus on February 1, wounding nine people.

He is also accused of placing a bomb on another bus and of running a gang that plotted against various West Bank personalities thought to be collaborating with the authorities.

Nasser Mansour is accused of helping to plant the bomb that was safely dismantled at the entrance to Israel Aircraft Industries, and another, near Oranit, which went off without causing injury or damage.

The prosecution claimed that the man killed two months ago while booby-trapping a car in Kfar Sava had also belonged to the gang. Other alleged gang members have been remanded by various military courts in the West Bank.



New immigrants protest outside Jerusalem's Hilton Hotel – where the Jewish Agency general assembly convened yesterday – against the waste of funds and ineffective absorption system of the agency and the Absorption Ministry. Last night's gala opening was addressed by President Herzog, who urged the assembly to devote itself to reestablishing greater confidence in the state. (Feinblatt/Media)
(See story, page 2)

Harish: Must extradite Nakash

BY MENACHEM SHALEV
Jerusalem Post Reporter

Attorney-General Yosef Harish informed Justice Minister Avraham Sharir yesterday that he had no alternative but to extradite William Nakash to France, while Nakash supporters stepped up their last-ditch efforts to prevent Sharir from doing just that.

Sources at the Chief Rabbinate said yesterday that the two chief rabbis would apparently attend a mass rally in support of Nakash, planned to take place this evening near the Western Wall.

Sharir, who has recently indicated to confidants that he plans to extradite Nakash, was told by Harish that he must do so "quickly," exercising the authority vested in him by the Extradition Law.

Harish said that he and State Attorney Yona Blattman had studied the Justice Ministry report which found that there was no "highly probable, immediate and tangible" danger to Nakash's life in a French prison, and they considered the report to be "balanced, fair and thorough."

Harish also rejected proposals submitted by Nakash's attorneys that he be tried and imprisoned in Israel. He said that the proposals did not conform with the law and, in any case, were based on the assumption that Nakash's life would be endangered in France.

Nakash's wife, Rina, began a sit-down strike in front of the Justice

(Continued on Page 2, Col. 2)

Doubters of Lavi increase

By JOSHUA BRILLIANT
Post Defence Reporter

The Lavi's future remains undetermined after yet another cabinet debate on the subject Wednesday. Ministers now say they believed there is a small majority against the project.

So far, less than half of the cabinet ministers have had their say. Of the 11 who have spoken, seven indicated they would oppose the programme, while four have supported it.

Some ministers are still undecided, such as Yitzhak Peretz, who told reporter: "It's a struggle between the heart (which supports the project) and the mind (which realizes we can't afford it)."

There were four voices yesterday added to those who oppose the continuation of the project: Moshe Shahal, Arye Nehamkin, Yigael Hurvitz and Zevulun Hammer. All made it clear that they would vote against the project unless more money was allocated to it. Since it seems unlikely that an extra $200 to $220m. will be found to meet the annual needs, these ministers join Yitzhak Rabin and Ezer Weizman who are already against it.

But David Levy, Ariel Sharon, Moshe Arens and Yosef Shapira spoke in favour of the project yesterday.

Shahal noted that the cost of the 75 F-16Cs that the IDF wants instead of the Lavi was estimated on the basis of the 75 planes currently being supplied. What would the next batch cost, he wondered.

Shahal said he wanted assurances that the U.S. aid now being given for the Lavi would continue for general defence purposes even if the programme were to be scrapped. The U.S. Administration had agreed but doubts have been raised and Shahal asked for clarifications.

Moreover, Shahal maintained, the defence establishment had not yet presented its detailed plan showing that the thousands of engineers and technicians employed on the Lavi project would have alternative jobs within a few months, if the

(Continued on back page)

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BRUSSELS	8	46	18	64	Cloudy
BUENOS AIRES	11	51	18	64	Cloudy
CHICAGO	19	66	30	86	Clear
COPENHAGEN	9	48	16	61	Cloudy
FRANKFURT	12	54	18	64	Cloudy
GENEVA	10	50	12	54	Clear
HELSINKI	11	52	19	66	Clear
HONGKONG	27	81	30	86	Clear
JOHANNESBURG	-2	28	14	57	Clear
LISBON	16	61	24	75	Cloudy
LONDON	12	54	19	66	Cloudy
MADRID	16	61	30	86	Clear
MONTREAL	11	53	24	77	Cloudy
NEW YORK	24	74	35	96	Cloudy
OSLO	9	48	11	52	Cloudy
PARIS	13	55	19	66	Rain
RIO DE JANEIRO	16	61	35	95	Cloudy
SAO PAULO	16	61	26	79	Cloudy
STOCKHOLM	8	46	16	60	Cloudy
TOKYO	18	64	23	73	Cloudy
TORONTO	14	59	24	76	Cloudy
VIENNA	13	55	18	65	Rain
ZURICH	9	48	12	54	Rain

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THE WEATHER

Forecast: Slightly warmer.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	29	16-26	28
Golan	22	13-28	29
Nahariya	—	—	—
Safad	20	13-26	28
Haifa Port	74	19-28	28
Tiberias	28	19-33	34
Nazareth	38	19-27	28
Afula	40	15-29	31
Shomron	35	16-28	30
Tel Aviv	58	20-27	28
B-G Airport	50	20-28	30
Jericho	33	20-35	36
Gaza	63	19-27	28
Beersheba	22	14-32	33
Eilat	8	24-39	40

Shamir back from Africa... Peres off to Europe

Sees other states renewing ties soon

By BERNARD JOSEPHS
Jerusalem Post Reporter

Several African countries are ready to renew ties with Israel shortly, despite Arab pressure and the disapproval of the Kremlin, Prime Minister Shamir said yesterday.

Speaking at the Prime Minister's Office in Jerusalem after returning from his four-nation West African tour, Shamir said he would not name the countries involved. "That would only damage the process," he explained.

"Some things will happen, I think, in the near future. There is Arab pressure and there have also been negative reactions from the Soviets, but despite this I think that several states will overcome these pressures and open ties with Israel."

Shamir said that his visit had a great impact on the continent and had stirred considerable interest. Some countries, he went on, had wanted to restore relations immediately, but this had proven technically impossible.

Shamir ruled out suggestions that Israel's ties with South Africa could endanger the diplomatic breakthrough in Black Africa.

"Everyone knows that our only interest in ties with South Africa is the existence there of a large Jewish community. And they know about our decision to reduce commercial ties with South Africa.

"Maybe our ties [with Pretoria] could be a problem for some more extreme countries. But they too now have doubts about refusing ties with Israel," he said.

Shamir reported that he and his party had been "moved" by the warmth of their welcome in Togo, Liberia, Cameroon and the Ivory Coast. "I felt a great friendship for Israel," he said, adding that the receptions had extended beyond normal diplomatic courtesies.

Discussions had centred on bilateral ties, economic proposals, the Middle East and African problems. Several of the Israeli businessmen who accompanied him on his trip had remained behind to complete negotiations, the prime minister said.

He had brought up the "terrible tragedy" of Ethiopian Jews, and the African leaders said they would do what they could to influence the Ethiopian government.



ROTATING. Vice Premier Peres, who leaves for Europe today, with Prime Minister Shamir at yesterday's ceremony in Jerusalem officially welcoming the premier back from his tour of West Africa. (Rahamim Israeli)

To rally support for peace parley

By MENACHEM SHALEV
Jerusalem Post Reporter

Foreign Minister Peres, continuing his efforts to rally support for an international peace conference, leaves today on an eight-day tour of Western Europe which will include talks with the leaders of Britain, France, West Germany and Switzerland.

Peres hopes to elicit from his hosts public statements supporting the Jordanian-Israeli "understanding" that the international conference will serve only as an opening to direct peace talks and will have no powers of diktat. He will also seek public statements supporting Israel's conditions for Soviet participation in the talks.

Simultaneous with the peace talks Peres would like to see an economic conference, perhaps to be attended by the seven Western powers who were at the recent Venice summit, which would discuss a type of "Marshall Plan" for the Middle East countries participating in the peace talks.

Ever since the stand-off in the inner cabinet last month, Prime Minister Shamir has said that neither the foreign minister nor anyone else has the right to pursue diplomatic efforts in this direction.

Shamir is not upset about Peres's trip, said sources close to the prime minister yesterday. "He can talk for himself," said an aide to Shamir, adding that "the prime minister is unperturbed because he knows that Peres's hosts realize that the government has not adopted his proposals, and that he has no mandate to pursue the matter of the international conference.

"The whole thing is pathetic," said the aide.

Peres told Israel Radio yesterday that it is "only natural" that any new idea meet with "objections, suspicions and differing opinions."

One of the purposes of his visit, he said, was to dispel the notion that "the whole world is against us."

His scheduled weekend stay in Geneva has given rise to speculation about a secret meeting, with observers split between those predicting one with Egyptian President Hosni Mubarak and others forecasting a meeting with either Soviet or Chinese officials.

Dulzin wants fusion of WZO-Jewish Agency

By ARYEH RUBINSTEIN
Jerusalem Post Reporter

Arye Dulzin, chairman of the Jewish Agency and the World Zionist Organization, last night called for a fusion of the two bodies. He was addressing the gala opening session of the annual week-long gathering of the Jewish Agency assembly.

Unification would simply give organizational expression "to our common agenda and our common ideology," Dulzin said.

He said that when Chaim Weizmann established the Jewish Agency in 1929, one partner, the Zionist Organization, saw itself as responsible for the destiny of the Jewish people. The other partner – comprising non-Zionists – saw its role as helping Jews.

"Today, both partners are Zionist. Both partners see themselves as responsible for the whole Jewish people, with Israel at its centre. By unification, [this assembly] will become the real parliament of the Jewish people. You will be elected by the Jewish communities of the world in a democratic process that will make your communities stronger, that will assure the unbreakable unity of the Jewish people," Dulzin said.

He urged the assembly to set up a commission to study the problems entailed and bring back recommendations. Such a commission should include not only representatives of the Zionist movement and the Agency, but also "scholars, rabbis, leaders from all sectors of Jewish society."

Earlier in his speech, Dulzin spoke of the danger of a power struggle between the two partners. "We give the money – we will make the decisions!" was a view lately expressed. And, in reaction, "We do the work – we will make the decisions."

Dulzin seemed to imply that things could not go on the way they are, and that the alternative to unification was dissolution.

A leader of the World Confederation of United Zionists yesterday gave an oblique endorsement to the candidacy of Jewish Agency Treasurer Akiva Levinsky as Dulzin's successor in December.

Levinsky is the front-running Labour candidate, with Youth Aliya head Uri Gordon in the challenger's position. "We think highly of Levinsky," Kalman Sultanik, executive co-president of the federation, told *The Jerusalem Post*. "But first Labour will have to decide on its candidate."

Raful's group backs off

By MENAHEM SHALEV

Tzomet, the movement that launched MK Rafael Eitan's political career, last night stepped back from a full-scale split with the Tehiya party.

In a meeting last night, MK Eitan had proposed that Tzomet leave Tehiya and that he set up an independent faction in the Knesset. Although Raful's motion was rejected by a majority of Tzomet, the movement decided to set up a special team to submit so-called "ultimative" demands to Tehiya.

WALDHEIM

(Continued from Page One)

plan to demonstrate against the visit

"We have cabled the pope," Toaf said. "I told him I couldn't understand how he could speak so beautifully to Warsaw's Jews just a few days ago and now meet with Waldheim."

Professors, students and teachers from the Hebrew University's Centre for Jewish History have written to the pope condemning the visit.

The co-directors of an annual study tour to Israel from Seton Hall University, a well-known Roman Catholic institution in New Jersey, yesterday issued a strong protest against the pope's reception of Waldheim. In a statement, Sister Rose Thering and the Rev. David M. Bossman said: "As Catholics we disagree with Pope John Paul II's decision to receive Austrian President Kurt Waldheim. Sensitivity to Jews and others who have been persecuted and annihilated by Nazis, their collaborators and functionaries, is sorely violated by such a needless public gesture. Papal recognition undercuts the efforts of many Christians who labour to draw lessons from the hatred and bigotry of the Holocaust and who seek reconciliation with those so brutally persecuted."

Demjanjuk trial resumes

By ERNIE MEYER

The trial of John Demjanjuk, who is accused of being "Ivan the Terrible" of the Treblinka death camp, is due to resume in Jerusalem today after a break of more than a month, during which testimony by former SS men was heard in Cologne and Berlin.

The sessions at Binyenei Ha'uma will follow the established pattern: mornings, 8.30-1 p.m., and afternoons 4-6.30. Today's witness will be Dr. Shmuel Spector, the director of the Centre for Holocaust Teaching at Yad Vashem, and is an expert on Ukrainian-Jewish history. He is to be followed by Dr. Shmuel Krakowsky, Yad Vashem's chief archivist.

The testimony heard by the prosecution and the defence in Cologne last month was given behind closed doors and will eventually be read into the trial record here. No videofilming of the proceedings was allowed by the Germans.

The text of the hearing of former Treblinka guard Otto Horn, before the full bench of three judges in Berlin two weeks ago, will also be incorporated into the trial record.

NAKASH

(Continued from Page One)

Ministry yesterday. In cable to Sharir, she claimed that the Justice Ministry team which had probed Nakash's claims had "ignored the evidence" of the dangers awaiting him.

"Don't let my husband be in perpetual danger of death or in solitary confinement for the rest of his life," Rina Nakash implored. "Don't separate or split our family."

The current deadline on Nakash's extradition is July 7. He was sentenced in France *in absentia* to life imprisonment for killing an Arab in Besançon in February 1983.

IN BRIEF

Court stymies Hurvitz bid to join Likud

The Jerusalem District court yesterday issued an injunction forbidding the Ometz party to sign an accord with the Likud. The injunction was in response to an application by Matityahu Atzmon, chairman of the Jerusalem branch of Ometz, who said that the party executive was not empowered to make such a decision.

In Atzmon's view, only the party's central committee could decide to join the Likud. The court forbade Minister Yigael Hurvitz and party member Zalman Shoval from signing the agreement until it had heard the case of both parties to the dispute. The next hearing was set for Friday.

Shamir: University fees next Sunday

Prime Minister Shamir said yesterday that the cabinet would fix university tuition fees next Sunday. But he added that the implications of the private member's bill submitted by Likud MK Dov Shilansky, should first be assessed.

The bill, which grants IDF veterans a 25 per cent reduction on their tuition fees, passed on the preliminary reading last week.

Foreign Minister Peres said the annual fees should be between $1,120 and $1,260.

SLA man hurt

A South Lebanese Army soldier was slightly wounded yesterday when the armoured carrier in which he was travelling hit a mine near Jezzine.

According to Reuter, the SLA responded by shelling four villages outside the security zone in South Lebanon.

TV crime programme has changed attitudes

The director-general of the Police Ministry, Gad Aviner, had a good word for Israel Television yesterday. He told the press that since the programme *Crime Investigation* began in Nobember 1986, information supplied by the public had solved five of the cases presented.

Aviner noted that public feelings about giving information to the police had changed since the programme was first screened.

Tells court of dealings with West Bank Arabs

Rafi Levy says he turned down antique jug offer from Dayan

The late Moshe Dayan once offered former Jerusalem district representative Rafi Levy an antique jug from a Bethlehem antiquities shop, but he refused the gift, said Levy yesterday, in the Jerusalem District Court, where he is on trial for accepting bribes and using his position for personal gain.

Levy said that Dayan took him to the famous antiquities shop belonging to the Kando family and said: "That one is for you and this one is for me," pointing at two ancient jugs.

Details of Levy's relationships with Arab families from Bethlehem and Ramallah were given in court yesterday, when Levy took the witness stand in his own defence. According to Levy, Dayan became friendly with the Kando family when they gave fragments of the Dead Sea Scrolls to Israel after the Six Day War. The former defence minister received gifts of ancient artifacts from the dealer, said Levy.

Levy described his relationship with the Kandos as "close and friendly," but denied that he had given members of the family permits to cross the Jordan bridges because of this. He had given the permits because they fulfilled criteria, he said.

On one occasion, he had asked his brother-in-law, Israel's ambassador to Egypt Moshe Sasson, to send him two tarbooshes for members of the Kando family. Sasson had obliged.

Levy testified that both Jerusalem Mayor Teddy Kollek and Bethlehem Mayor Elias Freij had put pressure on him to give the Kando family a building licence, despite the fact that they were planning to build on the site of an ancient water source in Jerusalem.

Describing his relationship with a cleric identified as "Priest-A", Levy said that the man's advancement in the church was not "my private affair, everyone was interested in his advancement." He maintained that he had never received favours from the priest, and, when the man had brought him things, he had received appropriate payment.

Speaking of his friendship with Hanna Janko, the widow of Emile Janko, the former Ramallah councillor murdered by the PLO, he said it had been written in Janko's will that he should help his widow. He had advised the Janko family on various financial matters and, at Hanna Janko's request, had made a list of all the family's assets. (Itim).



Visitors to the Tel Aviv beach yesterday pass piled-up refuse, caused by a slow-down strike by garbage-truck drivers. According to a municipal spokesman, the drivers are taking advantage of a current anti-litter campaign to try to obtain a salary increase. (Ya'acov Shaltiel)

Beit Jann Druse reject compromise

By DAVID RUDGE
Jerusalem Post Reporter

BEIT JANN. – Leaders of this strike-bound Druse village yesterday rejected a compromise formula aimed at ending their bitter dispute over land with the Nature Reserves Authority.

Meanwhile, the residents have established an "illegal" tent-camp on 250 dunams of land inside the Mount Meron nature sanctuary, about five kilometres from the village itself. They are threatening to turn the site into a permanent settlement unless the government agrees to their demands.

The villagers, who claim ownership of 12,000 dunams of land within the Mount Meron reserve, are demanding that it be released from the jurisdiction of the NRA. Beit Jann needs the land for housing, agriculture and public works projects, say the village leaders.

A development plan for a housing estate for demobilized soldiers and a school and sewerage network on some of the protected land has been approved in principle by the national planning commission.

Under the proffered compromise, amendments would be made to the regulations affecting land at the centre of the dispute. The villagers would then be able to cultivate certain areas.

Details of the compromise were unveiled by Agriculture Minister Arye Nehamkin during a meeting with the village heads at the home of Druse spiritual leader Sheikh Amin Tarif in Julis yesterday.

The formula had been agreed on by Prime Minister Shamir, Nehamkin and Moshe Arens, the minister responsible for Arab affairs, despite strong opposition from the NRA.

But Beit Jann's civic heads declared that the compromise did not go far enough. "When we checked the details on the map, we discovered that the amendments would apply to 45 per cent of the land in question," said local council chairman Shafik Assad.

"Our patience is wearing thin. There is widespread resentment among the residents and growing pressure to intensify the fight. There will be an explosion unless the government stops dragging its feet," Assad added.

The NRA countered that the villagers generally, and Assad in particular, were not prepared to negotiate a settlement to the problem. NRA spokesman Yael Shoham said the authority had accepted the compromise but was concerned that crop spraying could upset the land's ecosystem and that the Beit Jann leaders were demanding the right to cultivate more land than they asked for originally.

"It seems that Shafik Assad is trying to promote his own political interests and become leader of the Druse community by playing on the issue of land ownership," she added.

The NRA is to put its case to the government today.

CORRECTION
Request for Donations in Friday's paper "Dear Brothers and Sisters!" The home address should read 4/6 Rehov Bar-Yehuda, Bat Yam, Tel. 03-582141. jn877-29-f14

With grief and sorrow, we announce the death of
ISRAEL DISKIN ז"ל
Great-grandson of the Brisk Gaon
Brother of Moshe Diskin
Funeral today, June 22, 1987,
leaving the Sanhedria Funeral Parlour at 3 p.m.
for the Har Hamenuhot Cemetery
Shiva at the Shalom Hotel, Bayit Vegan, Jerusalem,
Room 252, Tel: 422111
Moshe Diskin and the Family

Deeply shocked and pained by the untimely death of
STEWART (Shimon) MAN
who was killed in a road accident Saturday.
Our condolences to the bereaved parents (USA)
and Baruch and Shoshana Man (Evron).
The body will be flown to the USA for burial.
Kibbutz Evron.
jn868-24-f22

We share the pain of the family
on the tragic death of
GARY WAIT
in a car accident.
Friends in Kibbutz Evron
jn890-29

In deep sorrow we announce the passing of
our beloved
MARTHA ABRAMCZYK
(née Tarlovsky)
widow of Dr. R. Abramczyk.
The bereaved family
jn887-29-f14

Sanz Medical Center
Laniado Hospital
ברוך דין אמת
We share the grief of the Stadler family on the passing of
our devoted friend and supporter
ZELIG STADLER ז"ל
המקום ינחם אתכם בתוך שאר אבלי ציון וירושלים
Board of Directors, Netanya
American Friends of Laniado Hospital

With deep sorrow we announce the passing of
HENRY KLEIN ז"ל
The funeral will take place on Monday, June 22, 1987 at
11 a.m. at Kfar Samir cemetery, Haifa.
Bus transport will leave at 10:30 a.m. from
Dr. Klein's residence, 49 Shoshanat Hacarmel St., Haifa.
Mourned by:
His Brother – Dr. Itzhak Klein, Haifa
His Sister-in-law – Else Klein and family
from Holland and Sweden
His Niece – Lilly Arenbert Klein, U.S.A.
and the Sterling families in Israel and abroad
jn886-29-f14

هكذا من الاصل

Rioting eases in S. Korea as Seoul moots political reforms

SEOUL. – Riot police using tough new tactics again broke up crowds and beat protesters yesterday while the government indicated it may offer concessions to ease the unrest.

The head of the ruling party was expected to call today for "far-reaching measures" after lawmakers met yesterday to discuss the situation. The U.S. has also stepped up calls for moderation and negotiations to solve the crisis.

Riot police broke up protests in Seoul and Pusan, using rough tactics for the second day against the nationwide protests that erupted June 10 in an attempt to oust President Chun DooHwan's government.

Martial-arts attack squads waiting in sidestreets ambushed more than 200 students who tried to march out of the compound of Seoul's Roman Catholic cathedral after an evening mass. Police hurled tear-gas grenades at close range and were seen seizing and beating dozens of protesters.

The students chanted revolutionary slogans before they were overwhelmed by charging police.

Riot police used similar tactics to break up largely peaceful protests yesterday in the southern port of Pusan, where attack squads waded into a crowd of about 2,000 people and seized hundreds. Pusan police repeatedly used tear-gas to disperse groups of protesters. Some demonstrators hurled rocks, but most did not try to hit back.

There were brief clashes between demonstrators and police in the southwestern city of Kwangju and in Taegu, about 100km. north of Pusan.

Demonstrations were also reported for the first time from the southern island of Cheju where protestors numbered about 500 at one stage before dispersing.

In Taejon, south of Seoul, police said they had arrested a man suspected of driving a bus which ran over and killed a riot policeman during demonstrations on Friday.

Minor street clashes between students and riot police were reported in the central city of Chongju, but demonstrations in most areas were noticeably smaller, with most people trying to be peaceful.

Riot squads began using new tactics Saturday to stop protests, and police were seen beating many people in Seoul and other cities. The government has mounted a major show of strength since it warned Friday that the protests had to end.

Roh Tae Woo, head of the ruling Democratic Justice Party (DJP) said he would make an important announcement today amid reports he was calling for a "flexible attitude" and might agree to resume talks with the opposition on political reform.

The opposition wants direct presidential elections to choose a successor to Chun, who has said he will step down after his seven-year term ends in February. The government has said it will continue using an electoral college selection process that virtually assures that Roh, the ruling party's candidate to succeed Chun, will win.

In Washington, the State Department announced that Assistant Secretary of State for East Asian and Pacific Affairs, Gaston Sigur, is to travel to Seoul today to assess the situation.

In an NBC television interview in New York yesterday, Sigur said, "I believe we've got to have... a reopening of discussions" between President Chun's government and the opposition.

"We have made that central to our policy," said Sigur. "They've got to start talking to each other again." (AP, AFP)



A Concorde supersonic jetliner is escorted by the Patrouille de France, consisting of Alphajets, during a show at Le Bourget yesterday. A hundred orphans of the Paris area were flown aboard the Concorde. The air show ends today. (Reuter telephoto)

Emirates reinstate Sharjah ruler

ABU DHABI (AP). – The Supreme Council of the United Arab Emirates' Federation appears to have resolved the conflict arising from the palace coup in Sharjah last week by reinstating the sheikhdom's deposed leader and making his brother the crown prince.

The Supreme Council, which is formed by the rulers of the emirates federated since 1971, issued a statement Saturday declaring Sheikh Sultan bin Mohammed al-Qassimi "The legitimate ruler of Sharjah."

It also decreed that Sheikh Abdel-Aziz bin Mohammed al-Qassimi, who seized control of the oil-rich Sharjah last Wednesday, would hold the title of crown prince in the 210,000-resident emirate. Sultan al-Qassimi was in London when state-run Sharjah Radio said he had "abdicated."

The council's decision indicated a compromise had been reached between Sultan, who had ruled the emirate for 15 years, and Abdel-Aziz, according to Arab diplomatic sources in Abu Dhabi, the Federation capital and leader of the seven emirates.

There was no immediate public reaction from Abdel-Aziz, who had vowed to fight with his 3,000 guardsmen if Dubai, the second strongest emirate, carried out its threat to intervene. His position had been that he would step down at the wish of Sharjah's al-Qassimi ruling clan.

Sharjah is the third strongest emirate in the Federation.

Kurdish rebels murder 30 Turkish villagers

ANKARA (Reuter). – Kurdish rebels massacred 30 civilians, including 16 children, in a raid on a village in southeast Turkey on Saturday night, the military said yesterday.

It was the bloodiest attack in a three-year Kurdish guerrilla war for a separate state.

The rebels moved in on Pinarcik near the town of Mardin from several directions and opened fire with automatic weapons, hand grenades and petrol bombs, a military statement said.

It said the massacre began when the rebels clashed with three watchmen outside the village. They then began attacking homes, starting with those of the village headman and the watchmen.

The semi-official Anatolian agency, which put the death toll at 31, said the dead included village headman Izzetin Yavuz, 45. Pinarcik had just 16 homes, according to Anatolian; and a 1985 census put the village population at 80.

Armed forces used helicopter-borne troops and commando teams to scour the rugged countryside close to the Syrian border for the rebels, it said.

Prime Minister Turgut Ozal pledged yesterday to wipe out Kurdish rebels responsible for the slaughter.

Turkish soldiers launched a massive operation in pursuit of the guerrillas, while Interior Minister Yildirim Akbulut flew to the area to investigate.

The Kurdish Labour Party seeks to set up a marxist Kurdish state in southeastern Turkey.

Kurdish guerrillas have killed some 500 civilians and soldiers since 1984, according to government figures. The same source shows 280 Kurdish rebels killed by soldiers. The rebels have stepped up their attacks in recent weeks with the advent of warmer weather.

About 10 million of Turkey's 52 million people are ethnic Kurds.

Jewish victim slain by captors said wrongly identified

BEIRUT (AFP). – The kidnapped Jewish Lebanese whose killing was announced here Friday by his abductors was not Elie Srour, but probably Isaac Sasson, Beirut newspapers reported yesterday.

They quoted the Superior Council of the Lebanese Jewish community as saying that the photograph which accompanied the announcement was not Srour's. It "could be" that of Sasson, the council said.

Sasson, 65, and Srour, 43, were kidnapped in Moslem-dominated West Beirut in March 1985 by a group calling itself the Organization for the Oppressed of the World. At least 10 Jewish Lebanese disappeared there between March and May of that year. The abductors have on various occasions announced the killing of nine hostages. But only three bodies have been found.

Syria rejects compromise with newsman's captors

BEIRUT (AP). – Syria yesterday rejected a compromise offer by Moslem kidnappers to release Ali Osseiran, the son of Lebanon's Defence minister, and keep American journalist Charles Glass, sources said.

The sources said the command of Syria's 7,500-strong army contingent in West Beirut insisted that Glass, Osseiran and his Lebanese driver Suleiman Salman be "freed quickly and unconditionally."

"The Syrians also warned that they would stiffen their stance by demanding the surrender of the kidnappers themselves unless the three captives are released soon," one source close to the Syrian command said.

The source, speaking on condition of anonymity, said the offer was made through unidentified go-betweens who were asked to relay the Syrian position back to the so-far unidentified faction holding the hostages.

Fourteen kidnappers grabbed Glass, 36, his long-time friend, Osseiran, 40, and Salman, a policeman who doubled as a bodyguard, on a coastal highway in south Beirut's Shi'ite Moslem suburb of Ouzai last Wednesday.

Defence Minister Adel Osseiran has repeatedly accused the Iranian-backed Hizbollah, or Party of God, of staging the abduction.

Osseiran, who heads a prominent conservative Shi'ite clan, said he was assured by Syrian President Hafez Assad that his troops in Beirut have been ordered to "do the utmost" to ensure the release of the three captives.

Local radio stations have said the Syrian army might storm into south Beirut's Shi'ite slums to crack down on Shi'ite militants if they failed to release the captives quickly.

Glass, of Los Angeles, is the first foreigner to be abducted after the Syrian army took control of Beirut's Moslem sector February 22.

Sub spotted off Sweden

STOCKHOLM (AP). – A Swedish Navy unit searched on Saturday for a foreign submarine near a naval base outside Stockholm after scores of people said they spotted the vessel.

Gorbachev: West lacks political realism on arms

MOSCOW (Reuter). – Kremlin leader Mikhail Gorbachev, in an impromptu election-day public appearance, said yesterday the West lacked the political realism needed for progress in arms control, while the Soviet Union was ready to move forward.

Like millions of ordinary Soviet citizens, Gorbachev cast his ballot in elections for new local government councils and district court judges. In some districts voters were offered a choice of candidates for the first time.

Emerging with his wife Raisa from a polling station near the Kremlin, Gorbachev chatted with a crowd of Russians and foreign reporters on topics ranging from his economic reform plans to arms control.

"In the West they are pushing the Soviet Union to take further real steps," he said. "We will take these real steps to meet our Western partners, to hold talks and open the way to disarmament."

But in the West, he added "there is a dearth of political realism. They appear above all to be trying to save face. But we need concrete steps today toward a non-nuclear world, a world without violence."

Gorbachev said his administration had already taken many concrete steps toward disarmament.

Iraq warns Iran of raids by 'new, more effective' arms

BAGHDAD (AP). – Iraq's air force commander said his nation bought new weapons to launch more devastating raids against Iran, but gave no details of the new arms, a newspaper reported yesterday.

"The next strikes will be more powerful and more effective, and will be carried out with new weapons and means," Air Marshal Hamid Shaaban told *Al-Thawra*, organ of the ruling Ba'ath Party.

His remarks were published a day after Iraq attacked Iran's Kharg island oil terminal and a tanker bound for that vital loading dock, the first such raids since the May 17 attack on the frigate USS Stark.

Shaaban was quoted as saying the lull in the "tanker war" had only been temporary and was "deliberately designed to take the enemy by surprise" when the raids were resumed.

He reiterated Iraq's warnings that its warplanes will continue their attacks on Iranian oil and economic facilities in Iran "so long as the Iranian rulers remain intransigant and reject all peace efforts to end the war."

Iran refuses to end the war until Iraqi President Saddam Hussein is toppled, as demanded by revolutionary patriarch Ayatollah Ruhollah Khomeini.

Arab diplomatic sources, speaking on condition of anonymity, have told the Associated Press that Iraq has acquired an unspecified number of Soviet-made MiG-29 interceptors since February, but these planes are not designed for attacking ground targets.

A report released Saturday by the U.S. arms control and disarmament agency said Iraq is by far the world's leader in importing weapons.

In 1984, the last year for which detailed figures were available, it purchased $7.7 billion worth of arms, almost three times the $2.6b. worth bought by runner-up Saudi Arabia.

New world air, sea records set

PARIS – France was the last stop for four Frenchmen and a Canadian at the weekend who in two separate events broke world air and sea speed records.

A four-man team flying a Lockheed 18 yesterday broke a 1938 record set by the late U.S. billionaire Howard Hughes for a round-the-world flight in a propeller-driven aircraft, organizers said in Paris.

The "Spirit" and "B," piloted by three Frenchmen and a Canadian, landed at the Paris Air Show yesterday morning after flying round the globe in 88 hours and 48 minutes.

Forty-nine years ago, Hughes established a record 91 hours, 17 minutes and 10 seconds.

In another record-breaking performance, Philippe Poupon yesterday made a triumphant landing at his home town of Ste. Marine-Benodet in Brittany after setting a new world mark for sailing across the Atlantic.

Poupon's trimaran Fleury Michon 8 crossed the symbolic finish line on Saturday, when he passed Lizard Point on the Cornish coast of Britain in seven days, 12 hours, nine minutes and 34 seconds.

IN BRIEF

Mitterrand OKs Kohl's joint troops idea

PARIS (AFP). – French President François Mitterrand has said he "approved" of West German Chancellor Helmut Kohl's plans for a West German-French "joint, fully integrated military unit, such as an army brigade."

A project of this kind was in tune with "specifically military" clauses of the 1963 treaty between the two countries, which had "remained dormant" so far, he said in Cahors, southwest France. He and the chancellor had now decided to enact the project, Mitterrand said.

Deaths rise to 17 in Barcelona blast

BARCELONA (AP). – Two people seriously burned in Friday's car bombing at a department store parking garage died yesterday, bringing to 17 the number killed in the Basque separatist organization Eta's worst single terrorist act.

ETA, which means homeland and liberty in the Basque language, set off the car bomb in an underground garage of the Hipercor department store.

Hospital officials said 22 people remianed hospitalized yesterday.

More Chinese illegals sneaking into Hongkong

HONGKONG (AP). – Security forces have stepped up patrols along the border with China following a sharp increase in the number of illegal immigrants trying to sneak into this British colony, the government reported yesterday.

A government statement said some 270 illegal immigrants from China were caught at the border in a 30-hour span beginning Saturday.

Price hikes may erase bureaucrats' pay hike

CAIRO (Reuter). – Price rises are likely to wipe out a 20 per cent pay increase decreed by President Hosni Mubarak for five million Egyptian civil servants from next month, bankers said yesterday.

The tax-free "social increment" announced two days ago would be offset by a series of price rises for some commodities which could average out at 30 per cent, they said.

North discussed Iranian assassination

WASHINGTON (AP). – Lt. Col. Oliver North, the White House aide fired in the Iran-Contra affair, told a U.S. military official that one of his plans was to accomplish the assassination of Iranian officials, it was reported here.

A *U.S. News and World Report* article also said that in discussions on how to undermine the regime of Ayatollah Khomeini, one Iranian group asked for assistance in a plot to assassinate Khomeini himself.

Mozambique rebels kill 10 Zimbabwe peasants

HARARE, Zimbabwe (AP). – Gunmen claiming to be Mozambique national resistance rebels massacred 10 peasants, including five children, in a Zimbabwe village near the Mozambique border, missionaries said yesterday.

Reagan pins hopes on Gorbachev

By PATRICK BROGAN

WASHINGTON. – President Ronald Reagan has made a career out of denouncing the communist menace and the misguided efforts of liberals like Henry Kissinger and Richard Nixon to negotiate disarmament treaties with the Evil Empire.

Now, as his authority is slipping away from him, and the Iran-Contra affair paralyzes his administration, he is pinning his hopes on a summit meeting with Soviet leader Mikhail Gorbachev in Washington this autumn, and a treaty eliminating short-range nuclear missiles from Europe.

Before Gorbachev gets here, Reagan will try to show his mettle by campaigning across the country for his economic policies. He started this week in a televised appeal to Americans to help him reduce the federal deficit by lobbying Congress to pass a balanced budget amendment to the constitution and to give presidents a line-item veto.

That would mean permitting the president to veto individual items in a money bill. At the moment, he must accept or reject the whole package. But Reagan has made the same appeal before, with no success.

He campaigned ardently before last November's congressional elections, and lost resoundingly. He lost California and Nevada, among other states, and the Democrats won back the Senate.

Since then, the Iran-Contra scandal erupted, with a devastating effect on the president's popularity and on Americans' confidence in his honesty and competence. That scandal will not go away.

Reagan will be touring the country in the next few weeks, but his speeches, and the crowds he will draw, will not lead the news. That spot will be pre-empted, all through July, by Admiral John Poindexter and Lt. Col. Oliver North testifying before the Iran committees. Whatever they say will weaken the president – either because they will claim that he knew what they were doing, and has lied about it ever since, or because he didn't know and was thus grossly negligent.

The last time a Soviet leader came to Washington was in 1973, while the Ervin Committee was holding its celebrated Watergate hearings. The committee adjourned for the duration of the visit, but Brezhnev's presence did nothing to help then-president Nixon. Brezhnev was expansive and cheerful, Nixon morose and awkward. They signed a number of unimportant agreements in the White House and the negotiations on Salt-2 were off to a good start.

Then the hearings, and the crisis, resumed. The following year, Nixon went to Moscow but the treaty was not ready, and he had to return empty-handed. He got back in time to be impeached. The parallel is not that Reagan will be impeached – although the judicious chairman of the House committee, Lee Hamilton, has mentioned the possibility; it is that when a president's authority slips, it cannot be restored by summit meetings or by speeches to the nation.

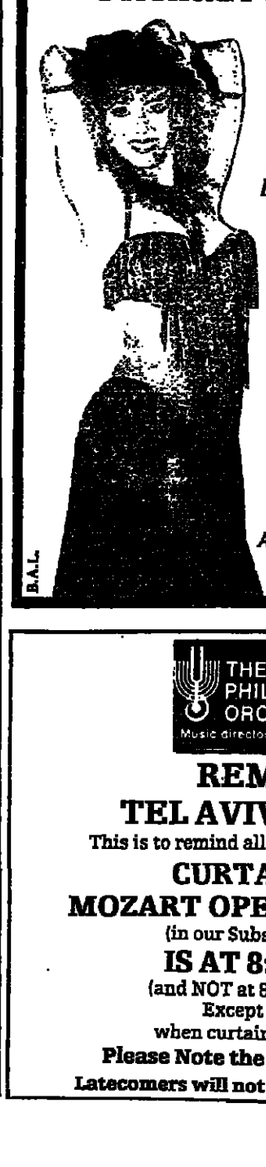
The heart of the matter is that President Reagan is no longer above criticism. His great contribution in his first years in the White House was to restore the institution of the presidency. He was so popular and effective that nobody dared criticize him. To do so seemed unpatriotic. His became known as the "teflon presidency": nothing critical stuck to him. The difference between the reverence with which he was treated and the constant and often vicious attacks on his predecessors, from Johnson to Carter, was very striking.

Now all that has changed. He is under increasing attack, and people make jokes about him in public, the sort of vicious, cruel jokes that were showered on Nixon and Carter. They are coming to see that he is too old for the job. His poor showing at the Venice summit, and his leaden performance at the Berlin Wall, where he managed to evoke only painful comparisons with John F. Kennedy, left Americans with great doubts of his capacity.

Observer Service

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Confusion in Egged as bosses leave the wheel

By JONATHAN KARP
For The Jerusalem Post

TEL AVIV. – The collective resignation of Egged's secretariat has left not only the public but also the cooperative's members and employees wondering when the buses will be running.

"Egged is just like an army whose leader has been taken to prison," said one administrative worker. "There's going to be anarchy if the dispute is not settled quickly. There is no one to decide, no one to pay the bills."

The official denied that Shlomo Levin put himself in danger of being sent to prison by resigning as chairman last Thursday along with the secretariat's eight other members. The move, said the official, had been necessary to avoid a court order that was considered impossible to implement.

Since then, he said, "everyone is acting according to his best understanding, or according to previous orders. Everything will continue until the drivers can't refuel, the mechanics can't buy spare parts, and so on."

In the absence of the secretariat, the 29-member executive has assumed a management role. It was to have met last night to decide on further strike action.

It is understood that former secretariat members did not show up for work as usual yesterday. Menahem Mayovitch, head of Egged's traffic department and one of the cooperative's most powerful leaders, was seen driving a bus yesterday morning, according to drivers on the Tel Aviv-Holon route.

At the terminal for buses operating between Tel Aviv, Holon and Bat Yam, the drivers read the official notice taped to the door of the station. The sign, which states that the Transport Ministry is closing Egged down, lists the bus lines that are affected.

It was printed on June 17; every day an Egged employee makes it current by simple writing the new date on top of the old one.

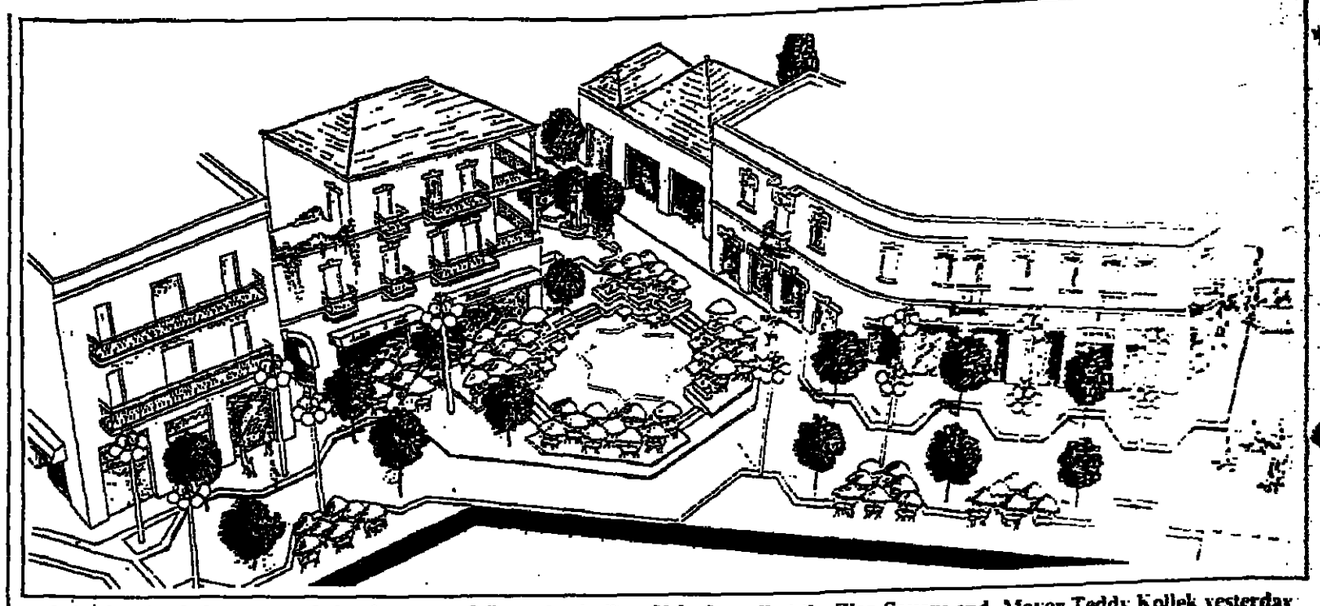
"We also get call from area managers, who tell us whether we have to work at 5 or 6 or 7," said one driver, "but things can change quickly so we usually don't know what will happen until we show up for work."

As he was speaking several passers-by asked whether evening lines would again stop early. Even as late as 3:30 yesterday afternoon, drivers of the suburban routes stopped by to inquire.

The driver, who asked not to be named, said he supported the strike even though his routes were disrupted, thus depriving him of valuable overtime.

The driver felt that the strike would not last for more than a few more days. "There are 14,000 families who depend on Egged for their income," he said. "They will put pressure on the government."

Another driver, who makes the Tel Aviv-Rehovot run, said: "The truth is that most drivers think the strike is stupid. You either stop everything or nothing. Cutting part the service only irritates the public."



Artist's sketch of the proposed development of Jerusalem's Ben-Yehuda mall at the Zion Square end. Mayor Teddy Kollek yesterday announced that the Jerusalem Foundation had received $500,000 to extend the mall from the Weiler-Aronow families of New York. The whole area will be named after Jack Weiler, an American philanthropist who contributes to Israel and other Jewish causes. The Weiler-Arnow families recently also donated $1.5 million to New York's Central Park in celebration of Jack and Doris Weiler's 60th wedding anniversary.

Are you paying/getting a minimum wage?

By JEFF BLACK

Sara Yitzhaki's employers are breaking the law. Last month, her salary for three hours of work a day, six days a week, totalled NIS 155 – way below the NIS 236-90 she should have received under the minimum wage law passed by the Knesset in March. This figure takes into account the 11 years she has been doing the job.

The minimum wage law fixes the lowest permissible wage at 45 per cent of the average national salary, or NIS 525 a month for a full-time worker. In October it is due to rise to NIS 551 and will then be updated every April 1.

Histadrut officials say around 110,000 workers receive the minimum wage, and about 90 per cent of them are women.

The industries that employ people on these terms tend to be labour-intensive, such as textile and food plants, and service industries like office-cleaning firms and security companies.

The law was passed despite strong opposition from the Manufacturers' Association, which claims it will lead to higher inflation and increased unemployment.

The Histadrut, on the other hand, was in favour of the legislation, although officials said pressure from the manufacturers led to what they called the law's "emasculation."

This is because the minimum wage is calculated on a number of salary components: the basic wage, cost-of-living increments, professional increments and premiums.

This last component, included at the Treasury's insistence, includes productivity bonuses. The Histadrut feels such payments should be kept separate from the wage calculation because it removes many workers from the law's sphere of influence.

Under the law, an employer paying less than the minimum wage can be taken to a labour court by the aggrieved worker. The worker can demand compensation over and above what is owing.

Yitzhaki works as a cleaner. Her husband receives a pension of NIS 480 a month and one of their five children still lives at home.

Asked why she continues working for the cleaning company at her present salary, she said: "I don't have a choice: having worked there for so long, to leave would be a waste of my *vetek* [seniority].

"I could have left my work a long time ago but I kept on saying it would be a waste of my *vetek*."

The minimum wage guaranteed her by law is far from large; but, as she says, "it's better than nothing." She intends to take her employers to court, with the help of the Histadrut, to receive the amount she is entitled to.

"I'm stuck in this job," she said. "I couldn't work, as some people do, in two different jobs. I'm 52, and I don't have the strength to run from one work place to the next.

"But I'm not prepared to give up my rights. According to the law, I can't lose."



President Felix Houphouet-Boigny (right) looks on as Shulamit Shamir makes friends with a small girl during Prime Minister Shamir's visit to the Ivory Coast last week. (GPO)

TV strike boosts Book Week

By MARSHA POMERANTZ
Jerusalem Post Reporter

TEL AVIV. – "It's like Coney Island, but without the food," said one visitor, retreating from the hordes at the Hebrew Book Week stands outside City Hall here.

It was spiritual nourishment they were after, though some say the cookbooks sell best.

Saturday night saw peak attendance, but business has been humming all week at the annual event organized in the major cities by the Hebrew publishers. They offer discounts of 25 to 40 per cent and rid themselves of old stock as well as current titles.

No one denied that the television strike put more people out on the pavement seeking food for thought. But not everyone in the writing community was happy about the strike of the electronic media.

Haim Pessah, a senior editor at Zmora Bitan, said his house had suffered a double loss in public relations. The TV news was to have carried some footage of his boss's party to launch both book week and a new line of original Hebrew fiction – an innovation, since 90 per cent of their titles are translated imports. And one of their local authors, David Schutz, was to have been interviewed on the Friday night chat-and-music show, *Siba Lemesiba*. "Now it's gone forever," Pessah lamented, reflecting the industry's increasing awareness of the need for promotion, and willing to settle for a few lines in print.

One book selling particularly well under Hakibbutz Hameuhad's imprint was novelist David Grossman's *Be'Ikvot Hazman Hatzahov (In Pursuit of the Yellow Time)*. It's a very non-fiction rendering of a month he spent with both Jews and Arabs on the West Bank after 20 years of occupation, and includes some observations on why and how most Israelis remain oblivious of the unhappy "co-existence." The book first appeared as an entire issue of the weekly *Koteret Rashit* in April.

Festivities last through Wednesday.

Fear of disease may save some shaky marriages

Experts on Aids and the family

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. – The fear of Aids may lower the divorce rate, psychologist Dr. Yossi Hadar suggested yesterday during a study day on Aids held by the Israel Family Therapy Association at Tel Aviv University.

He said he knew of some couples who were now reluctant to look for new sexual partners outside marriage, preferring their known marital difficulties to the unknown.

He also said that the acceptance of homosexuality as normal rather than pathological, which had begun to increase in recent years, had been dealt a blow by Aids. Families who know one of their members is homosexual now sometimes demand that he eat from separate dishes and use separate towels.

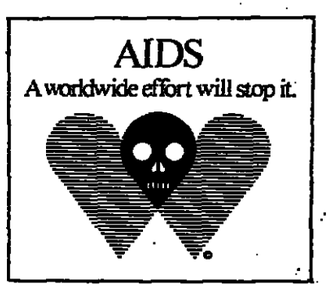
Two physicians from Hadassah Hospital – Prof. Abraham Morag and Dr. Shlomo Maayan – tried hard to convince the audience that there was no need to panic.

Despite media reports, Aids cannot be transmitted by mosquitoes, they said. Studies in Africa and in a particularly swampy area of Florida showed that all cases of Aids could be acounted for by one of the known methods of transmission – sexual activity with a partner who carries the disease, injection with an unsterilized needle, contaminated blood, or infection of a newborn baby by its mother.

Similarly, family members of Aids patients who did not have intercourse with the patients did not catch the disease. "Handshakes are dangerous only in winter," Morag said, "and that's because of the common cold, not Aids."

Maayan added that the advice that dentists wear gloves was good, but was more relevant to hepatitis than to Aids.

Morag said he would not advise people to change their everyday habits. There is no reason not to eat in restaurants, not to swim in public pools or not to go to the barber or hairdresser's.



"I wouldn't suggest that couples married for years begin to suspect each other and take special precautions," he said. "But when my son went off to the Far East alone I told him very specifically how he has to be careful." Condoms – if not torn – are a protection against transmission of the virus, he said.

Dr. Cynthia Karel, a psychiatrist, said parents have to be helped to be far more specific in teaching their children about the "mechanics" of sex. The aim has to be both the prevention of Aids and the minimization of anxiety. "If we wait for the Education Ministry with its myth of sex education to do it, we'll lose at least two generations of kids," she said.

Social worker Varda Saskoni said that for families of homosexuals the disease was particularly hard to bear. Often, the family was unaware of the patient's homosexuality, or accepted it intellectually without coming to terms with it emotionally. In many cases, the homosexual has left home and his family only finds out about his illness in the terminal stages. The father is usually hostile and the mother is the one who assumes the burden of care.

Whether it is said aloud or not, families often blame the patient for having Aids, she said. If the patient is a homosexual or a drug addict, families feel that if he had behaved properly this wouldn't have happened. If the patient is a hemophiliac, the disease is not considered his fault, but the family will express anger that the contaminated blood was not spotted before being given to their relative.

She added that there is also guilt among families. The wife of a bisexual Aids patient will wonder why she couldn't satisfy her husband sufficiently to keep him away from homosexual activity; and the families of homosexuals or drug addicts will feel guilty for not having done more to change the patient's behaviour before it was too late.

IN BRIEF

Second Balas case set for September

TEL AVIV (Itim). – The district court here yesterday agreed to postpone until September a hearing in connection with charges that financier David Balas failed to report he had a controlling share in the Maritime Bank.

The court accepted the defence councel's request that the hearing be postponed until the completion of a second case, in which Balas is charged with defrauding the United Kibbutz Movement of $79 million.

Yosef denies politicking

Former chief rabbi Ovadia Yosef yesterday told the High Court of Justice that his meetings with political leaders had been confined to the subject of conversions. In a sworn statement to the court, in reply to petitions by MKs Yossi Sarid (Citizens Rights Movement) and Yair Tsaban (Mapam), Yosef said that he had not dealt with political matters in his talks.

The court issued an order *nisi* to Minister of Religious Affairs Zevulun Hammer, ordering him to explain why he should not take disciplinary action against Yosef, who is a religious court judge. (Itim)

FUNLAND. – A new family amusement park *Kef Land*, is to open at Jaffa port on July 14. It will feature rides, a boating pond, a giant chessboard and minigolf, among other games.

Politics may prevent Holy Land exhibit in Japan

By MEIR RONNEN
Post Art Editor

The "Treasures of the Holy Land," an exhibition of antiquities from the Israel Museum now touring museums in the U.S., may not reach Japan after all.

The massive exhibition was slated to go on view at the Tokyo and Osaka National Museums next year, under the aegis of Japan's largest daily newspaper, the *Yomiuri Shimbun*.

According to Dr. Martin Weyl, the director of the Israel Museum, the project has been "put on hold" because the Japanese government has been unable to provide what he terms "diplomatic immunity" for the exhibits.

The Israel Museum fears that some form of legal action might be brought against the show because of the inclusion of a number of items from the Rockefeller Museum in East Jerusalem.

But as a senior Japanese Foreign Ministry official told *The Jerusalem Post* in Tokyo last December, there is no provision in Japanese law that would enable his government to issue more than "moral immunity". Israel, for its part, has declined to consider leaving out the Rockefeller items or others found in what is now the West Bank. The show includes one of the Dead Sea Scrolls.

TODAY'S ENTERTAINMENT

EDUCATIONAL TV
8.00 Teletext 8.03 Keep Fit 8.40 School Broadcasts 14.00 Teletext 14.03 Keep Fit 14.15 Making Magic 14.33 Surprise Train 15.00 Mrs. Pepperpot – animated film 15.15 Family Problems 15.55 Keep Fit 16.05 Five Mile Creek (part 28) 17.00 A New Evening – live magazine

ISRAEL TV
CHILDREN'S PROGRAMMES
17.30 The Care Bears (part 7) 18.00 The Children from Degrassi Street (part 9)
ARABIC-LANGUAGE PROGRAMMES
18.30 News roundup 18.32 Programme Trailer 18.35 Sports 19.30 News
HEBREW PROGRAMMES resume at
20.00 with a news roundup
20.02 Allegro – music quiz
21.00 Mabat Newsreel
21.35 Executive Stress – British comedy series
22.00 This Is the Time
22.50 Miami Vice – American detective series
23.35 News

ISRAEL TV CHANNEL 2
19.00 Till Pop 19.40 Documentary 20.25 Entertainment

JORDAN TV (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Three Up, Two Down 21.10 Magnum 22.00 News in English 22.20 Whose Baby?

MIDDLE EAST TV
13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Afternoon Movie: Desert Legion 16.30 Muppet Babies 17.00 Super Book 17.30 Fraggle Rock 18.00 Happy Days 18.30 Laverne & Shirley 19.00 News 20.00 Magnum P.I. 21.00 NBA Playoffs 23.00 700 Club 23.30 Another Life

VOICE OF MUSIC
6.02 Morning Melodies 7.03 Rodrigo: Fantasia para un gentilhombre; Mozart: Piano Quartet; Beethoven: Symphony No. 4 (Vienna/Bernstein) 9.00 Respighi: Ancient Dances Suite No. 1 (Philharmonia Hungarica/Dorati); Ibert: Concerto for Flute and Orchestra (Galway); Dvorak: Serenade (St. Martin/Marriner); Shostakovich: Sonata for Cello and Piano; Grieg: Piano Concerto; Sibelius: Symphony No.1 12.00 Haydn: Piano Sonata No. 51 (Brendel); Mozart: Recitative (Ameling, English Chamber); Schubert: Duo Sonata for Violin and Piano; Spohr: Duo Concertante for 2 Violins (Perlman, Zukerman) 13.05 Bach: Sonata No.3 for Viola da Gamba and Harpsichord (Yo Yo Ma); Haydn: Concerto for Violin, Harpsichord and Strings; Rossini: Sonata for Strings No.4; Liszt: Hungarian Fantasy; Chopin: "Les Sylphides" (National Philharmonic/Bonynge) 15.00 Music Appreciation 16.00 Israel Philharmonic Orchestra under Maazel with Taub, violin – Weber: "Oberon" Overture; Hindemith: Violin Concerto; Sibelius: Symphony No. 2 18.00 Emphasis on the performance 19.00 "Among Friends" – Works by Prokofiev, Brahms, Bizet; Schubert and Sibelius 20.05 Music Medley 20.30 Hungarian Radio Symphony orchestra under Dorati – Dorati: Piano Concerto; Liszt: Dante Symphony, 6 Songs for Choir 22.30 "Then and Again" 23.00 Handel: Suites for Harpsichord; Mozart: String Quartets

RADIO 1st
6.03 Programmes for Olim 7.30 Programme in Easy Hebrew 8.05 Intermission 8.27 The Demjanjuk Trial – live broadcast 13.05 Hebrew Songs 13.30 News in French 13.45 News in English 14.06 Children's programmes 15.27 Education for all 15.57 The Demjanjuk Trial – live broadcast 19.05 Reflections on the Portion of the Week 19.20 Bible Reading 19.30 Programmes for Olim 22.05 Every Man has a Star – with astrologist Ilan Packer

RADIO 2nd
6.12 Gymnastics 6.30 Editorial Review 6.53 Green Light – drivers' corner 7.00 This Morning – news magazine 8.05 Making an Issue 9.05 House Call – with Haim Kainan 10.05 All Shades of the Network – morning magazine 12.10 O.K. on Two 13.00 Midday – news commentary, music 14.06 Culture and Arts Magazine 14.30 Humour 15.05 Magic Moments 16.05 Songs and Homework 17.05 Economics Magazine 18.06 Free Period – education magazine 18.45 Today in Sport 19.05 Today – radio newsreel 19.35 Law and Justice 20.05 Cantorial Hit Parade 22.05 Jazz Corner 23.05 Night Games

ARMY
6.05 University on the Air 6.30 Open Your Eyes – songs, information 7.07 "707" 8.00 Good Morning Israel 9.05 In the Morning 10.05 Coffee Break 11.05 Right Now 13.05 Good Place in the Centre 15.05 The Magical Mystery Tour (repeat) 16.05 Four in the Afternoon 17.00 Evening Newsreel 18.05 Military Literature Magazine 19.05 Hebrew songs 20.05 Literary Meeting (repeat) 21.00 Mabat – TV newsreel 21.30 University on the Air (repeat) 22.05 Popular songs 23.05 The 24th Hour 00.05 Night Birds – songs, chat

ARMY TWO
19.05 Radio Radio 20.05 Information, regards and radio games 22.05 Popular songs 23.05 All That Jazz

DAILY ENGLISH BROADCASTS
ISRAEL RADIO
on 576 and 1440 kilohertz (AM)
7.00-7.15 News, 13.00-13.30 News followed by:
SUNDAY – "This Land" travel magazine
MONDAY – "Mainstream" consumer and community affairs
TUESDAY – "Israel Mosaic" weekly magazine
WEDNESDAY – "With me in the studio" guest interview
THURSDAY – "Studio Three" arts magazine
FRIDAY – "Thank Goodness It's Friday" Sabbath eve programme
SATURDAY – "Spotlight" people and issues in the news
17.00-17.05 News, 20.00-20.15 News

CINEMA PERFORMANCES

JERUSALEM
Beit Agron: The Mouse that Roared 10; The Sting 12 midnight; **Cinematheque:** Prizzi's Honor 7; Boys' Town 7 (small hall); Nine Months 9 (small hall); Darsu Uzala 9:15; **Edison:** Ferris Bueller's Day Off 4:30, 7:30, 9:30; **Edison:** Over the Top 4:30, 7:30, 9:30; **Habira:** My Life as a Dog 7:30, 9:30; **Jerusalem Theatre:** Melo 6:45, 9:15; **Kfir:** The Name of the Rose 4:30, 7, 9:30; **Mitchell:** Children of a Lesser God 7:15, 9:30; **Orgil:** Oxford Blues 5, 7:15, 9:15; **Orion Or 1:** Wanted Dead or Alive 4:30, 7:15, 9:15; **Orion Or 3:** Something Wild & Crocodile Dundee 4:30, 7:15, 9:15; Moving Violations 11:15 p.m. **Orion Or 4:** Betty Blue 4:30, 7, 9:15; Stripes 11:15 p.m.; **Orion Or 5:** No Mercy 9:15; Little Shop of Horrors 4:30, 7:15; Blade Runner 11:15 p.m.; **Orna:** Police Academy IV 4:30, 7:15, 9:15; **Ron:** Klute 4:30, 7:30, 9:30; **Semadar:** Cria Cuervos 7, 9:15.

TEL AVIV
Beit Liessin: Koyaanisqatsi 11:15 p.m; **Ben Yehuda:** Field of Honor 5, 7:15, 9:30; **Chen 1:** Police Academy IV 5:30, 7:55, 9:55; **Chen 2:** Little Shop of Horrors 5:30, 7:45, 9:50; **Chen 3:** Stand By Me 5:40, 7:50, 9:50; **Chen 4:** Tin Men 11, 2, 5:25, 7:40, 9:55; **Chen 5:** Soul Man 11, 2, 5:40, 7:45, 9:55; **Cinema One:** Over the Top 5, 7:15, 9:30; **Cinema Two:** Room With A View 5, 7:15, 9:30; **Dekel:** Crocodile Dundee 7:15, 9:30; **Dizengoff 1:** Les Fugitives 11, 1:30, 5, 7:30, 9:50; **Dizengoff 2:** Personal Services 11, 1:30, 5, 7:30, 9:50; **Dizengoff 3:** Decline of the American Empire 11, 1:30, 5, 7:30, 9:50; **Drive-In:** Quartermain 8, 10; Sex film 12 midnight; **Esther:** Out of Bounds 5, 7:30, 9:45; **Gat:** That's Life 5, 7:30, 9:45; **New Gordon:** The Marriage of Maria Braun 5, 7:30, 9:30; **Hakolnoa ZOA House:** Red Kiss 5, 7:30, 9:30 (exc. Wed.); **Had:** Quartermain 5, 7:15, 9:30; **Israel Cinematheque:** Helmut 4-7 at 7; **Lev 1:** Down By Law 2, 5, 7:40, 9:50; **Lev 2:** Clockwise 2, 5, 7:40, 9:50; **Lev 3:** Melo 7:40, 9:50; **Lev 4:** Tenue de Soiree 5, 7:40, 9:50; **Limor Hamehudash:** Platoon 4:30, 7, 9:30; **Matim:** Project A 5, 7:30, 9:30; **Orly:** Children of a Lesser God 4:30, 7, 9:30; **Paris:** Betty Blue 11:45, 2, 4:15, 7, 9:30; **Peer:** Best Shot 5, 7:30, 9:30; **Shalaf:** Radio Days 5, 7:15, 9:30; **Sivan:** Something Wild 5, 7:30, 9:40; Blues Brothers midnight; **Tamuz:** Rose 7, 9:40; Diva 12:15; **Tchelet:** The Shop Around the Corner 5:30, 7:40, 9:50; **Tel Aviv:** The Patriot 5, 7:15, 9:30; **Tel Aviv Museum:** Death of a Salesman 4:30, 7, 9:30; **Zafon:** The Name of the Rose 4:30, 7, 9:45.

HAIFA
Amphitheatre: Sid and Nancy 4:30, 7, 9; **Armon:** Closed for renovations; **Atzmon 1:** Radio Days 4:30; 7, 9:15; **Atzmon 2:** Children of a Lesser God 4:15, 6:45, 9:10; **Atzmon 3:** Over the Top 4:30, 7, 9:15; **Chan Hamehudash:** Crocodile Dundee 4:30, 7, 9:15; **Keren Or Hamehudash:** Escort Girl 4:30, 7, 9:15; **Orah:** Les Fugitives 4:30, 7, 9:15; **Orly:** The Name of the Rose 7, 9:30; **Peer:** Police Academy IV 4:30, 7, 9:15; **Rav-Gat 1:** Little Shop of Horrors 4:30, 7, 9:15; **Rav-Gat 2:** Tin Men 4:30, 7, 9:15; **Ron:** Quartermain 4:30, 7, 9; **Shavit:** Down By Law 7, 9:15.

RAMAT GAN
Armon: Police Academy IV 5, 7:45, 9:45; **Lily:** Small Talk 7:30, 9:30; **Oasis:** Heat 7:30, 9:45; **Ordea:** Brighton Beach Memoirs 7:15, 9:30; **Rav-Gan 1:** Crocodile Dundee 5, 7:30, 9:15; **Rav-Gan 2:** Something Wild 5, 7:30; 9:45; **Rav-Gan 3:** Stand By Me 5, 7:30, 9:45; **Rav-Gan 4:** Little Shop of Horrors 5, 7:30, 9:45.

HERZLIYA
Dan Accadia: The Color of Money 7, 9:30; **Daniel Hotel:** L'Effrontee 7:15, 9:30 (exc. Wed.); **David:** Tough Guys 7:15, 9:30; **Hechal:** Critical Condition 5, 7:15, 9:30; **New Tiferet:** Crocodile Dundee 7:30 9:30.

HOLON
Armon Hamehudash: The Morning After 7:30, 9:30; **Migdal:** Police Academy IV 7:30, 9:45; **Savoy:** Children of a Lesser God 4:30, 7, 9:30.

BAT YAM
Atzmon: Children of a Lesser God 4:30, 7, 9:30.

GIVATAYIM
Hadar: Children of a Lesser God 4:30, 7, 9:30.

RAMAT HASHARON
Kochav: Rad 7.

PETAH TIKVA
G.G. Hechal 1: Radio Days 4:30, 7:15, 9:30; **G.G. Hechal 2:** Children of a Lesser God 4:30, 7, 9:30; **G.G. Hechal 3:** Quartermain 4:30, 7:15, 9:30.

KIRYAT ONO
Community Centre: Malcolm 6:30, 9.

RISHON LEZION
G.G. Ron 1: Quartermain 5, 7:15, 9:30; **G.G. Ron 2:** Clockwise 5, 7:15, 9:30.

KFAR SAVA
Beit Beri Cinema-Theatre: The Fourth Protocol 8, 10.

WHAT'S ON

Notices in this feature are charged at NIS 9.45 per line, including VAT. Insertion every day of the month costs NIS 188.60 per line, including VAT, per month. Rates calculated according to regular newspaper column width.

JERUSALEM
Museums
ISRAEL MUSEUM. Exhibitions: Tradition and Revolution: The Jewish Renaissance Russian Avante-Garde Art, 174 works of Jewish artists during Russian Revolution ◊ Boris Aronson (1898-1980), From Kiev to New York ◊ Dorit Ya'acoby and Reuven Zehavi, Paintings ◊ Israeli Art, New Acquisitions ◊ Islamic Jewelry, treasures of the 8th cent. to modern times ◊ Pieter Van Lint (Flemish, 1609-1690), "Achilles Among the Daughters of Lykomedes." ◊ Honore Daumier, Armand Hammer Collection (until 23.6) ◊ News in Antiquities 87 ◊ Gorovoy Donation, Mid-19th century photographs of the human form (until 23.6) ◊ Paintings by Felix Nussbaum, Jewish artist who died in the Holocaust ◊ Miriam Bar-Tov, 4 Book Illustrations ◊ Ancient Glass, latest acquisitions ◊ Permanent collections: Archeology, Judaica, Ethnic Art; the Dead Sea Scrolls (in the Shrine of the Book).
ROCKEFELLER MUSEUM: Ancient Masks and Rattles ◊ Animals in Ancient Art ◊ Islamic Art (Paley Centre).

VISITING HOURS: Main Museum 10-5. At 11: Guided tour of Museum in English. 3: Guided tour of Archaelogical galleries in English.

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun.-Thur. 10-1; 3:30-6. Fri. closed. Sat. and holiday eves 10-1. Holidays: check with Museum. 2 Hapalmah St., Tel. 661291/2. Bus No. 15.

Conducted Tours
HADASSAH – Hourly tours of the Chagall Windows at Kiryat Hadassah on the half hour. * Information, reservations: 02-416333, 02-446271.

HEBREW UNIVERSITY
English tours daily Sunday through Thursday: 1. Mount Scopus, 11 a.m. from the Bronfman Reception Centre, Administration Building. Buses 9, 28, 4a, 26 & 23 to the first underground stop. 2. Givat Ram Campus, 9 & 11 a.m. from the Sherman Building. Buses 9, 28, & 24. Tel. 882819.

AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – 8 Alkalai Street, Jerusalem. Tel. 02-699222.

EXHIBITIONS
Computer beats **ROULETTE!** Tel. 02-247638.

TEL AVIV
Museums
TEL AVIV MUSEUM. Exhibitions: From Manees to Picasso ◊ Salvador Dali Writer/Illustrator (closing 20.6.) ◊ ◊ Edvard Munch, prints: Death, Love and Anxiety. **Helena Rubinstein Pavilion:** George Grosz, The Berlin Years. **Visiting hours** (Museum and Pavilion): Sun., Tue., Wed., Thur. 10 a.m.-8 p.m.; Mon. 5-8 p.m.; Fri. 10 a.m.-2 p.m.; Sat. 10 a.m.-2 p.m.; 7-10 p.m.

Conducted Tours
AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – Tel Aviv, Tel. 220187, 233154.
WIZO. To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 388817.
ORT. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 396171, 233231, 240529; Netanya 33744.
PIONEER WOMEN – NA'AMAT. Morning tours. Tel Aviv, 210791, Jerusalem 244878.

HAIFA
Museums
HAIFA MUSEUM. 26 Shabtai Levy St. Tel. 04-523255. Exhibitions: **Modern Art:** Ansel Adams, photographs. **Ancient Art** – Decorated Islamic pottery. **Music & Ethnology:** world paper cuts. **Open:** Sun.-Thur. & Sat. 10-1; Tues., Thur. & Sat. also 6-9. **Ticket also admits to National Maritime, Japanese and Prehistoric Museums.**
WHAT'S ON IN HAIFA, dial 04-840840.



هكذا في الاهرام

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WEEKLY REVIEW

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A demonstrator confronting the police in Seoul.

Sygma/Matsumoto

Anxiety Pervades Washington's Korea Policy

By DAVID K. SHIPLER

WASHINGTON

IMPOSING American morality on other countries' political systems is a ticklish business, and the United States has rarely done it well, whether the Administration be Republican or Democratic. There is a peculiar interplay between Washington's regard for democracy and its anxiety over Communist expansion. Occasionally the two concerns line up together, as in the Philippines last year. But when one comes into conflict with the other, the anti-Communist reflex prevails, as in South Korea during the last two weeks.

The protesters who have taken to the streets of Seoul, Pusan and other Korean cities to demonstrate for democracy have elicited only ambivalence in the Reagan Administration, which has publicly restricted itself to platitudes on the virtue of free elections, civil liberties and dialogue between the Government and opposition leaders on constitutional reform.

In private, American diplomats have reportedly conveyed the same messages, sometimes more pointedly, and last weekend urged the authorities not to order riot policemen to storm the Roman Catholic cathedral in Seoul where demonstrators were holding a sit-in. After a week of street violence and no high-level American response, President Reagan finally sent President Chun Doo Hwan a letter calling for restraint and for a resumption of the talks with the opposition, which broke down in April. After a policeman was killed in Friday's rioting, tens of thousands of policemen sought yesterday to regain control of the streets of Seoul, attacking apparently smaller groups of demonstrators. Still, there were some signs that the Government was considering a renewal of the negotiations, in which the opposition has demanded a system of direct presidential elections. But some American officials also worried that strong pressure could backfire, provoking President Chun to declare martial law or drop plans to step down next February. His designation of his successor, Roh Tae Woo, set off the protests.

American officials cannot risk miscalculation, for South Korea is too important in the scheme of United States interests. Unlike the Philippines, South Korea has no internal Communist insurgency; the Communist threat is external, from North Korea, and it is not always obvious that supporting an unpopular government in Seoul may actually weaken the South, making it more vulnerable to the North.

Middle-level American specialists have begun to note the connection between democratization and stability, between authoritarian rule and the gradual disaffection of the population, including — during the current demonstrations — the economically comfortable middle class. "Not only political stability, but the security of Korea, would be enhanced by a Government that is more broadly based and democratic," Deputy Assistant Secretary of State William Clark Jr. told a House subcommittee last week. A soldier in a democracy, he asserted, is a better soldier than one whose friends and family detest the authoritarian regime he is assigned to defend.

'Disturbing Parallels'

But this understanding has been slow to penetrate the upper levels of policymaking. Some analysts feel that the Administration does not deal with some situations until they become crises, and thus unmanageable. There are disturbing Korea-Philippine parallels in Washington's reactions to the popular push for democracy.

In South Korea now — as in the Philippines in August, 1983, after the assassination of Benigno Aquino — the middle class has taken to the streets in protest for the first time. Both times, the Reagan Administration was surprised, critics say, adding that the Administration should now be making contact with the South Korean opposition, before the Government becomes unstable.

In the Philippines, the Reagan Administration lost confidence in Mr. Marcos's ability to manage the military. In South Korea, the military seems disciplined and effective, and the country's economy is booming.

"There are obvious differences in the two situations," said Selig Harrison, a senior associate of the Carnegie Endowment for International Peace who has been watching South Korea since the 1960's. "While it faces a very serious situation that has the potential for a Philippines-type explosion," he said, "the United States doesn't face that in the weeks and months ahead. What we face is the steady rise in opposition. American policy is contributing to the creation of a left in South Korea that never existed before." Furthermore, in pursuing its "quiet diplomacy," the Reagan Administration permits the United States to be identified with the authoritarian regime. "We're not in a position to change what they do very much," Mr. Harrison declared. "The problem of the United States is to make sure we are not blamed for a situation that the majority of the country don't like. The essential reason we're blamed is the very nature of the security relationship. We have yoked ourselves to the Koreans in a way that is very unusual." Most of the South Korean armed forces are under a joint American-Korean command, although in practice, Korean units have been more responsive to Korean than American orders.

Consequently, the United States finds itself with two incompatible goals. It may be, as the Reagan Administration believes, that pressing quietly and politely is more effective than moral lectures or economic and military sanctions. But the approach tarnishes the image of the United States as a power prepared to stand up for the principle of democracy. So, Koreans will have to find their own way.



Reuters

Students help a young man who was overcome by tear gas.

The Iran-Contra Panel in Profile

What the Questions Tell About the Questioners

By FOX BUTTERFIELD

WASHINGTON

AFTER six weeks of hearings into the Iran-contra affair, the members of the joint Congressional committees have begun to emerge as familiar personalities. Some have been eloquent, like Representative Lee H. Hamilton, the chairman of the House panel. Some have proved to be doughty defenders of the Reagan Administration, like Senator Orrin G. Hatch. A few, like Senator George J. Mitchell, have pursued a consistent thread of inquiry. And one, Representative Les Aspin, has been notable for his absence. In all, the questions, and sometimes the soliloquies, of certain legislators have given shape to the proceedings. What follows is a guide to some of the Senators and Representatives who have made important contributions so far and who are likely to remain in the spotlight when the hearings resume Tuesday.



Magnum/Erich Hartmann

Congressional committees investigating the Iran-contra affair.

Daniel K. Inouye

Chairman of the Senate panel is a 62-year-old Democrat from Hawaii . . . A 24-year veteran of the Senate, was a member of the Watergate committee 13 years ago . . . A reserved man, he has helped run the hearings behind the scenes, trying to keep them as bipartisan as possible . . . Pressing to finish hearings before the August recess, has limited his own questions so far; but colleagues say he will be tough as one of the main questioners when Rear Adm. John M. Poindexter, the former national security adviser, appears early in July.

Warren B. Rudman

Vice chairman of the Senate panel is a New Hampshire Republican . . . 56 years old . . . One of the sponsors of the Gramm-Rudman-Hollings law mandating annual steps to reduce the budget deficit . . . A former attorney general of New Hampshire who takes pride in his prosecutorial skills, he has emerged as an outspoken alter ego for the quiet Inouye . . . Among the committees' Republicans, the most forceful critic of Iran and contra operations . . . Active role has prompted reminiscences of the way Howard H. Baker Jr. gained prominence in Watergate hearings before becoming Senate Republican leader.

George J. Mitchell

Democratic Senator from Maine . . . At 53, a former Federal prosecutor and district judge . . . A liberal, was chairman of the Democratic Senatorial Campaign Committee that helped produce last fall's victories . . . Has a soft-spoken, judicious manner . . . Often raises constitutional questions of accountability with witnesses who were members of Lieut. Col. Oliver L. North's private operations network and who assert they were only following orders.

David L. Boren

Former Oklahoma Governor is 45 years old . . . Is among the Senate's more conservative Democrats and has supported aid to the contras, as he frequently reminds witnesses . . . As chairman of the Select Committee on Intelligence, clearly feels betrayed by the Iran-contra operation and by what he believes are the Administration spokesmen's misleading statements to Congress . . . Appeared particularly upset by the testimony of Maj. Gen. Richard V. Secord; in one of the most theatrical moments of the hearings thus far, challenged General Secord to prove avowed patriotism by opening up bank records for committee inspection . . . A smooth questioner with folksy turn of speech.

Orrin G. Hatch

Utah Republican is 52 years old . . . An articulate conservative, he is one of President Reagan's closest allies in the Senate . . . Guided William H. Rehnquist's nomination as Chief Justice through the Senate last year . . . A former trial lawyer who relishes debate, he has made meticulous defense of White House policies, trying to depict each witness's testimony in the most favorable light and often ending by congratulating witnesses on their patriotism . . . Widely considered to be on the Administration's short list for the next Supreme Court nomination.

William S. Cohen

Republican Senator from Maine . . . 46 years old . . . In 1974, as freshman Representative, he voted to impeach President Nixon and was the only Republican to vote to request the White House tapes . . . A former prosecutor and novelist . . . Is left of center among Senate Republicans, though he backed contra aid . . . During the hearings he has emerged as a skeptic, at one point questioning whether he could believe the testimony of any witness.

Paul S. Trible Jr.

Republican Senator from Virginia is a former Assistant United States Attorney . . . At 39, the youngest member of the Senate panel and also the biggest surprise . . . Has been low-keyed conservative, with a voting record loyal to President Reagan, but was transformed in hearings into a bold questioner who pressed Administration witnesses hard . . . Clue to change may be predictions that he faces a tough re-election campaign next year against Charles S. Robb, the Democratic former Governor.

Lee H. Hamilton

Democrat is chairman of House panel . . . 56 years old, tall, with a crew cut . . . Little known outside Congress and his heavily Republican Indiana district . . . Colleagues say he displayed integrity in a decade as head of Foreign Affairs Subcommittee on Europe and the Middle East . . . Outspoken in opposition to aid for contras and in support of Congressional involvement in foreign policy . . . The philosopher of the hearings, pausing to summarize themes he found in key testimony.

Henry J. Hyde

Illinois Republican, at 62, is the senior member of the House Judiciary and Foreign Affairs committees . . . Tall and silver-haired, is a skilled debater and intellectual leader of House conservatives . . . Best known for the Hyde Amendment, which bars Federal financing of abortions for poor women . . . Has used hearings to preach the dangers of Congressional interference in foreign policy, most often delivering humorous lectures rather than asking questions . . . His favorite target is the Boland Amendment, the series of laws that restricted Government military aid to the contras for more than three years.

Edward P. Boland

Massachusetts Democrat was first elected to the House in 1952 and was first chairman of its Committee on Intelligence . . . 75 years old but looks and sounds much younger, with sonorous voice . . . A quiet insider, he was principal architect of the amendment bearing his name . . . Has been polite but firm in questioning witnesses who many members believe violated the attempt to limit contra support.

Jim Courter

Republican Representative from New Jersey, 45 years old . . . A former prosecutor and Peace Corps volunteer, has become influential on the Armed Services Committee, blending conservatism with criticism of the Pentagon . . . In hearings, he sometimes seems like President Reagan's defense attorney, methodically attempting to limit damage to the White House.

Louis Stokes

Ohio Democrat, at 61, is chairman of the House intelligence committee . . . As chairman of the House ethics committee from 1977 to 1985, presided over sensitive investigations of several colleagues . . . A consistent opponent of Reagan policy in Central America, has been forceful questioner during hearings.

The Gulf War:
Kuwait's strategy to use the superpowers
2

The World

Citibank, Ford Join the Exodus From South Africa

South Africa has long been a good place to make money, but the pressures of prolonged civil strife and rising international condemnation of apartheid have taken a heavy toll on business. More than 100 American companies have left the country in the last 18 months rather than deal with the consequences of civil unrest, a war of black resistance and white crackdowns in which more than 2,500 people have been killed. Last week, two of the best-known remaining companies, Ford Motor Company and Citibank, prepared to sell out and leave.

Ford reportedly is negotiating to sell 43 percent of its interests there to its South African partner, Anglo American Corporation, and give 57 percent to a trust for the benefit of 4,500 employees, 70 percent of whom are black. South Africans would continue to make Fords with Ford-supplied components. In October, General Motors Corporation, the other major American automobile maker in South Africa, announced the sale of its facilities to investors headed by local G.M. managers.

The Citibank withdrawal affected only 185 employees. They will work for the First National Bank of Southern Africa, which bought the subsidiary for about $64.5 million.

But the loss of the largest United States bank sent shock waves through the business community, notably the 212 American companies still operating in South Africa. Citibank had been a leading proponent of the argument that remaining in South Africa was morally correct because American companies could be a force in favor of racial equality. "We haven't changed our minds about that," a bank spokesman said. "This was a business decision based on all the factors involved."

Another Defeat For Rajiv Gandhi

Prime Minister Rajiv Gandhi's Congress Party suffered an overwhelming local defeat last week, winning only four out of 87 seats in state legislative elections in Haryana, a small, prosperous state in northern India. Many of the issues were local — demands for more irrigation water, territory and other largesse. But Devi Lal, the veteran politician and onetime Congress stalwart who led the opposition coalition, said the voting was "a referendum on Rajiv Gandhi."

Mr. Lal accused the Gandhi Government of failing to suppress Sikh terrorism in the neighboring state of Punjab, where more than 400 people, most of them Hindus or moderate Sikhs, have been killed this year. Haryana, a predominantly Hindu state, was carved out of Punjab in 1966 so Sikhs could have their own state. Mr. Lal also accused Congress Party officials of corruption, an issue with national resonance. Accusations of bribery and military kickbacks are rife in New Delhi.

Last week's defeat was the Congress Party's 10th loss at the state level since Mr. Gandhi took over after the assassination of his mother, Indira Gandhi, and presided over a landslide victory in December 1984 that gave the party an 80 percent edge in the Parliament. Now opposition groups control 11 of India's 25 states. But unless the Congress Party falls apart, Mr. Gandhi's hold on power should be secure until 1989.

Reagan Finds Flaw In Peace Plan

President Oscar Arias Sánchez of Costa Rica was on a private visit to Indianapolis last week when he was told President Reagan wanted to see him at the White House.

In a 65-minute meeting, described by a Costa Rican official as "sharp, tense and blunt," Mr. Reagan and his top aides told Mr. Arias that they did not like his plan for peace in Central America. The reason, according to officials of both sides, is that Mr. Reagan feels the Arias plan is too lenient on the Sandinista Government in Nicaragua. The Costa Rican leader has called for a cutoff of aid to rebel groups in Central America, a move that could destroy the Nicaraguan rebels, or contras.

"The greatest concern is the need for the Sandinistas to act on genuine democratization before pressure on the regime is removed in any way," a White House statement said.

Mr. Reagan told Mr. Arias that the only way to put pressure on the Sandinistas is militarily, through the contras, Costa Rican officials said. Mr. Arias was said to have replied that he was unhappy he had been unable to convince the Administration that military pressure did not work and that they should give his plan a chance. He said that the American aid to the contras gives the Sandinistas an excuse for repression and economic failures.

Costa Rican officials said they thought Mr. Reagan had sought the meeting partly in reaction to suspicions that the Administration had something to do with the postponement of a meeting of Central American leaders that had been scheduled this month to discuss the plan. President José Napoleón Duarte of El Salvador, which is dependent on the United States for aid, unexpectedly sought the delay.



Agence France-Presse

President Oscar Arias Sánchez

Waldheim to Visit Pope This Week

The Austrian Government said last week that President Kurt Waldheim had received, and would accept, an invitation to pay an official visit to Pope John Paul II this Thursday in the Vatican. In Rome, the Pope's spokesman said the Pope had postponed the meeting several times and agreed to it only after Mr. Waldheim pressed his request.

Since Mr. Waldheim was elected last year to the largely ceremonial office of President, he has made no official trips abroad, apparently because he has not found many countries ready to welcome him. He was elected despite accusations that he had concealed his record in the German army in World War II, and had participated in Nazi crimes in Greece and Yugoslavia — reports he has denied.

The United States has barred him from entry on the ground that he "participated in activities amounting to persecution" of Jews and others. Last week, the United States rejected an Austrian protest that the ban violated international law.

A Vatican official said Mr. Waldheim, who is a Roman Catholic, was on an official visit, not a private one, and was returning the visit the Pope made in September 1983 to Austria, a predominantly Catholic country. Vatican officials have said that the Pope's choice of meetings does not imply approval or disapproval and that he is prepared to meet with people whose behavior he does not necessarily condone.

Several American Jewish organizations expresssed outrage at the visit, some of them comparing it to the Pope's meeting in 1982 with the leader of the Palestine Liberation Organization, Yasir Arafat.

Leaders of several major Jewish organizations said the audience with Mr. Waldheim could disrupt plans for a meeting between the Pope and Jewish leaders in Miami in September, at the start of a 10-day visit to nine American cities.

In New York, John Cardinal O'Connor said he "understood the anxiety" the audience generated, but added that the Pope "has his own ways of making clear his strong positions on human rights for persons of all races and creeds."

Car Bomb Kills 15 in Barcelona

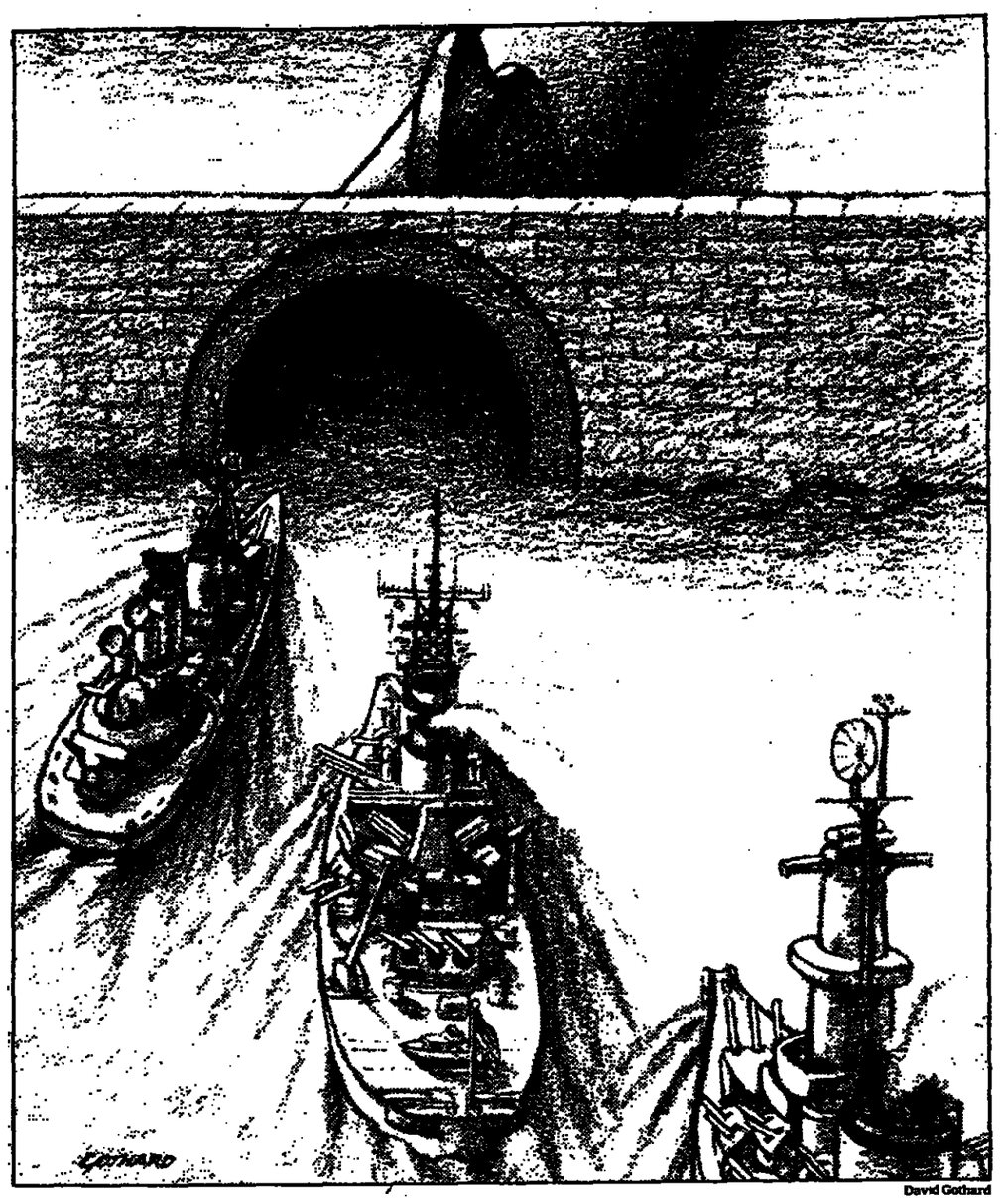
Most of the 600 people killed in Spain in 19 years of attacks by E.T.A., the Basque separatist group, have been police officers, paramilitary civil guards and military men. But last week, a car bomb set fire to a parking garage under a Barcelona department store, killing at least 15 shoppers, including five women and several children. At least 30 people were injured.

The police said the car, a Ford Escort, had been stolen in San Sebastian, the main city of the region of northern Spain claimed by the E.T.A., which means Homeland and Freedom in Basque. They said a man had telephoned a Barcelona newspaper before the explosion and, without giving the location, said E.T.A. would set off a bomb in the store.

Prime Minister Felipe González cut short a visit to Brazil and flew home. "This attack is of a different style than we have seen to date," he said. "It is an attempt to force the Government to change tack. But we will not give in to indiscriminate violence."

James F. Clarity, Milt Freudenheim and Katherine Roberts

U.S. Fears Soviet Influence in the Gulf



David Gothard

Kuwaiti Strategy Is to Use Superpowers to End War

By JOHN KIFNER

KUWAIT

In the early 1980's, the United States sent a Marine peacekeeping force to Lebanon to show the world that it was an efficient power in the Middle East. One of its goals was to support the Christian-dominated Government and to keep Soviet influence in the area in check by keeping Moscow's military client, Syria, removed from power in Beirut.

That adventure ended in terrorist bomb blasts, the deaths of 242 American servicemen and eventual American withdrawal in embarrassment. Today, the Christian Government is weaker than ever, and Syria is back in the country with an occupation force of 25,000 troops.

Now, amid revelations that Washington secretly supplied arms to the Ayatollah Ruhollah Khomeini's Iran, the United States is embarrassed again and is attempting to restore itself in the eyes of the Arab world, whose rulers fear an explosion of Islamic fundamentalism should Iran triumph over Iraq in the seemingly endless war in the Persian Gulf. And again, the Administration has its eye on Communist expansion.

President Reagan asserted last week that the United States must go ahead with his plan to put half of Kuwait's 22-tanker fleet under the American flag because otherwise the Soviet Union, which has chartered three of its tankers to Kuwait, will expand its influence in the gulf.

"In a word, if we don't do the job, the Soviets will," President Reagan said in a nationally broadcast address. "And that will jeopardize our own national security and that of our allies."

By protecting the Kuwaiti ships, the United States will inevitably be seen as siding with Iraq. Kuwait has been backing Iraq both with oil money and with the use of its ports to ship in Soviet-made arms. None of Kuwait's neighbors — Saudi Arabia, Bahrain, the United Arab Emirates, Qatar, Oman — have endorsed the plan. A meeting of the foreign ministers of the six-state Gulf Cooperation Council, of which Kuwait is a member, yielded only a vaguely worded endorsement of Kuwait's right to seek protection for its trade.

Kuwait skillfully manipulated the United States into offering protection, diplomats here contended, by going to the Soviet Union first. Kuwait's real concern, they argued, is not so much the protection of the ships — although Iran has stepped up strikes at ships coming in and out of Kuwait, no vessel flying the Kuwaiti flag has been hit since last October — but rather an elaborate scheme to draw the superpowers into the war in the hopes that they will end it.

"It's based on the conviction that the superpowers are behind everything and can solve everything," said a Western diplomat. "That's where they may be mistaken and where the superpowers could get in trouble."

Iraq, not Iran, began the attacks on gulf shipping in the spring of 1984. American naval officers in the gulf say privately that Iran has tended to act more in accord with international conventions, stopping and boarding ships that might be carrying arms for Iraq, while the Iraqis — as in the case of the United States frigate Stark — simply open fire on generally defenseless merchantmen.

Iran could wrest an important victory out of the sudden concern. Iranian officials in the past few days have taken to calling for international protection of all shipping in the gulf. Were this to happen, it would benefit Iran because it is totally dependent on the gulf for transporting its vital oil exports, while Iraq, its ports shut, sends its oil by pipelines through Turkey and Saudi Arabia.

Further, stopping attacks on shipping would deprive Iraq, bogged down in defensive positions, of one of its few military advantages. Kuwait's major concern is the spillover effect the war is having on its once-tranquil society.

Kuwait's large minority of Shiites, many of Persian origin, identifies with the Iranians, and their anger over the Government's backing of Iraq has spawned an underground, which has bombed Kuwait's oilfields.

But Iran's traditional xenophobia, a world view that sees the superpowers as constantly plotting against it, will be reinforced. This can make the United States and the Soviet Union the targets not only of Iran, but possibly of its Shiite supporters in Kuwait and, conceivably, in Bahrain and in Saudi Arabia's eastern province. The threat is not so much of conventional war, but of the clandestine terrorist tactics that proved so effective for the Iranian-backed Shiites in Lebanon. A new unpredictable factor is a fleet of speedboats manned by Iran's Revolutionary Guards.

In Washington, the Pentagon said the commander of the Stark, Capt. Glenn R. Brindel, and two of his senior officers were relieved of duty. During the Iraqi attack, 37 of the Stark's crew were killed when the ship did not defend itself. The possibility remained that the three officers would be court-martialed as the result of the findings of a naval board of inquiry into the episode.

Defense Department officials and members of Congress said the risk of Iranian attack should not deter the United States from escorting Kuwaiti tankers.

"Will we have a naval battle? I don't think so," said a senior American official in the gulf. "A suicide boat bomber? Maybe, maybe."

Christian Democrats, Socialists Gained in Last Week's Elections

Italy's Communists on Slippery Slope

By ROBERTO SURO

ROME

The leaders of Italy's Communist Party spent long hours last week reading bad news. Computer analyses of parliamentary election results showed the party had lost more than a million votes to rivals across the spectrum, from the Christian Democrats on the right to the Proletarian Democrats on the left.

"This was not a simple defeat but a broad rejection of the party's image and credibility," said Stefano Draghi, an analyst for the party secretariat. Even more disheartening, some of the biggest losses were incurred in the northern industrial cities once known as the "Red belt," and many young voters also defected.

After three days of examining their fate, Communist leaders announced that they did not contemplate any basic change in the party's course. It was a brave stance because, even though the Communists remain Italy's second largest party, with about 27 percent of the vote, and the largest Communist party in the West, their supporters and enemies alike were asking whether they had embarked on an inexorable and accelerating decline linked to domestic and international trends.

"Losses by Labor in Britain and by the Social Democrats in West Germany are tied to changes in class structure, and you cannot separate us from the rest of the European left in this regard," said Renato Zangheri, the Communist leader in Parliament.

Italy has been losing more than 100,000 industrial jobs a year for a decade. The hard-core, blue-collar Communist following is dwindling as factories are automated and the service sector booms. Moreover, small businesses with 100 workers or fewer now employ about two-thirds of industrial workers, leaving the party hard pressed to reach its traditional constituency.

But in Italy, unlike Britain and West Germany, there is no talk of a basic ideological shift toward conservatism. Last week about half the voters chose parties clearly defined as left of center.

With the left as strong as it has ever been, some commentators are linking the Communist decline to the "Mitterrand syndrome" in France. When the Socialists came to power under President François Mitterrand in 1981, the French Communists held about 16 percent of the vote and were still powerful. By last year's elections, the French party had dropped below 10 percent; it is widely thought to be headed for further losses. Although Italian Communists are quick to note many differences, some see at least one important parallel to France: The presence of a strong Socialist in power damaged the Communists in both countries.



Associated Press

Alessandro Natta, leader of the Italian Communist Party, discussing the elections last week.

In Italy, Bettino Craxi's Socialists gained nearly three points, to about 14 percent of the vote, a gain at least partly attributable to the credibility and prestige gained during his three and a half years as Prime Minister. "There were certainly a good number of Communists who went with the Socialists this time because it seemed a more effective way to use their vote," said Aris Accornero, a Communist political science professor at the University of Rome.

While the Communists have been locked out of government for 40 years and are virtually certain to remain so now, Mr. Craxi broke a spell by becoming the first leftist to lead postwar Italy. In addition to portraying himself as an incumbent, Mr. Craxi appeared as leader of the opposition in his constant brawls with the Christian Democrats, who at about 34 percent remain the largest party. When the next Government is put together, the Socialists and Christian Democrats are likely both to dominate and squabble in yet another coalition.

"The Christian Democrats are the traditional enemy of the Communist voter, so why not vote for the Socialists who battled them much more aggressively and effectively than we have?" Professor Accornero asked.

In fact, the Communists have been anything but aggressive as they presented themselves as the moderate, respectable "modern party of reform." Moving toward the mainstream of the European left, they proclaimed a kinship to Social Democrats of other countries.

In the campaign, this was translated into appeals for women's rights, defense of the environment and fiscal responsibility. But the tactic did not succeed with its intended audiences — the youth vote and Italy's most modern city, Milan — and it may have cost the party votes among traditional supporters. Some critics contend that the Communist leadership has blurred the party's image beyond recognition.

The French Communists have reverted in defeat to their old hard-line ideology. Such a course would be much harder for the Italians, who have already shed almost everything Communist except the name and the hammer and sickle. Turning back has become even more difficult because of the reformist approach of the Soviet leader, Mikhail S. Gorbachev, who has boosted Moscow's standing here as elsewhere in Europe.

"If Gorbachev were Italian, he would vote Socialist," said Massimo Pini, a Milan businessman closely allied to Mr. Craxi, "so why does Italy need a Communist party?"

هكذا من الاهرام

هكذا في الاصل

Suspicions of Murder Brought Noriega Opponents Into the Streets

Future of Canal an Issue Again In Panama



Sipa

By STEPHEN KINZER

PANAMA

LIKE thousands of ships before it, the heavily laden freighter Aguascalientes entered the Miraflores locks of the Panama Canal at noon last Sunday. The giant sluice gates closed and in eight minutes enough water was drained to lower the vessel 27 feet, an engineering feat that has been repeated countless times since the canal opened in 1914.

The violence and strikes that have shaken Panama this month have not interfered with operations at the canal, but they have raised renewed concern about its future. According to treaties signed during the Carter Administration, Panama will take control of the canal in the year 2000. As challenges to Gen. Manuel Antonio Noriega, the country's military commander, grow, he has taken to dismissing all opposition as a veiled effort to prevent the transfer. His opponents, meanwhile, are portraying General Noriega as the possible obstacle to Panamanian control of the canal, which is considered a prime issue of patriotism.

At the start, the anti-Government riots and other protests were ignited not by the canal issue, but by a series of accusations of military misdeeds made by a retired army colonel, Roberto Díaz Herrera. First, Mr. Díaz said he had proof that General Noriega rigged the 1984 presidential election and planned the successful murder of an outspoken antimilitary activist — accusations that were already widely believed here. A few days later, the colonel contended that General Noriega was also responsible for the death of Gen. Omar Torrijos Herrera, Panama's leader, in a 1981 helicopter crash that had been considered an accident. Mr. Díaz also accused Panamanian officers, including General Torrijos, of taking $12 million in bribes to let the deposed Shah of Iran take refuge in Panama. Colonel Díaz has requested and was promised diplomatic asylum in Spain but did not rush to leave.

The colonel's charges sent Panamanians into the streets two weeks ago to protest army domination. They honked horns, waved handkerchiefs and beat pots and pans. The unrest ended after General Noriega suspended constitutional guarantees and banned several newspapers and news broadcasts. The protests were mild by Latin American standards, but unprecedented for normally peaceful Panama. They gave Panamanians a taste of collective resistance, and sharpened anti-Noriega feeling.

As calm returned last week, both sides worried about whether the political developments would affect the future of the canal. General Noriega attacked the protest leaders as American agents seeking to prevent Panama from taking control of it. "We have spoken about ambushes we face as we approach the year 2000," he said. "As we put an end to the last colonialist outpost, some people have problems with that." The promilitary Legislative Assembly accused "groups of the traditional oligarchy" of responsibility for the protests. "The final objective of these groups was to establish a political regime in the Republic of Panama that would allow the United States to remain after the year 2000," an assembly resolution said. It denounced as "traitors" former President Nicolás Ardito Barletta; Gabriel Lewis Galindo, a millionaire businessman who fled into exile and has vowed to help topple the regime, and Ricardo Arias Calderón, the Christian Democratic Party leader.

General Noriega's opponents dismissed the accusations. "We are not willing to take a lesson in nationalism from the military," Mr. Arias Calderón said. "They learned that lesson late, and they learned it badly." A Panamanian accountant summed up the antimilitary feeling. "It's not that there are no qualified Panamanians to administer the canal, because there are such people," he said. "But we are worried that the army isn't going to allow those people to assume the jobs they deserve. They are just going to name their own cronies, who will make a mess of the canal, as they have done with Panama."

Some foreign diplomats perceived a challenge for the United States. "The last thing the Americans want is to have a government in power here in the year 2000 that they really don't feel they should give the canal to," an ambassador said. There have been calls in Washington for an investigation of the widening charges against General Noriega. Panamanian officials denounced these demands, prompting a bipartisan group of Senators, including Edward M. Kennedy, the Massachusetts Democrat, and Alfonse M. D'Amato, Republican of New York, to issue what they called an open letter to the people of Panama. The senators recounted allegations against the military and noted that Panamanians have dismissed these issues, "alleging that they are prompted by some conspiracy of individuals in the United States, including members of the Senate, to abrogate the canal treaty and continue control after the year 2000. That is completely untrue."

Opposition leaders in Panama want Washington to make clear that it disapproves of General Noriega, notably by cutting back on military cooperation. "We cannot understand why 400 miles from here, Mr. Reagan is supporting some contras, who he says are freedom fighters, while here in Panama he is supporting a criminal named Noriega," said Antonio Arias, a member of the Legislative Assembly. But given the strategic importance of Panama, the Reagan Administration seems unlikely to endanger its position here by alienating the still-powerful General.

Labor union demonstrators confronting riot police in Panama City (above); Gen. Manuel Antonio Noriega.



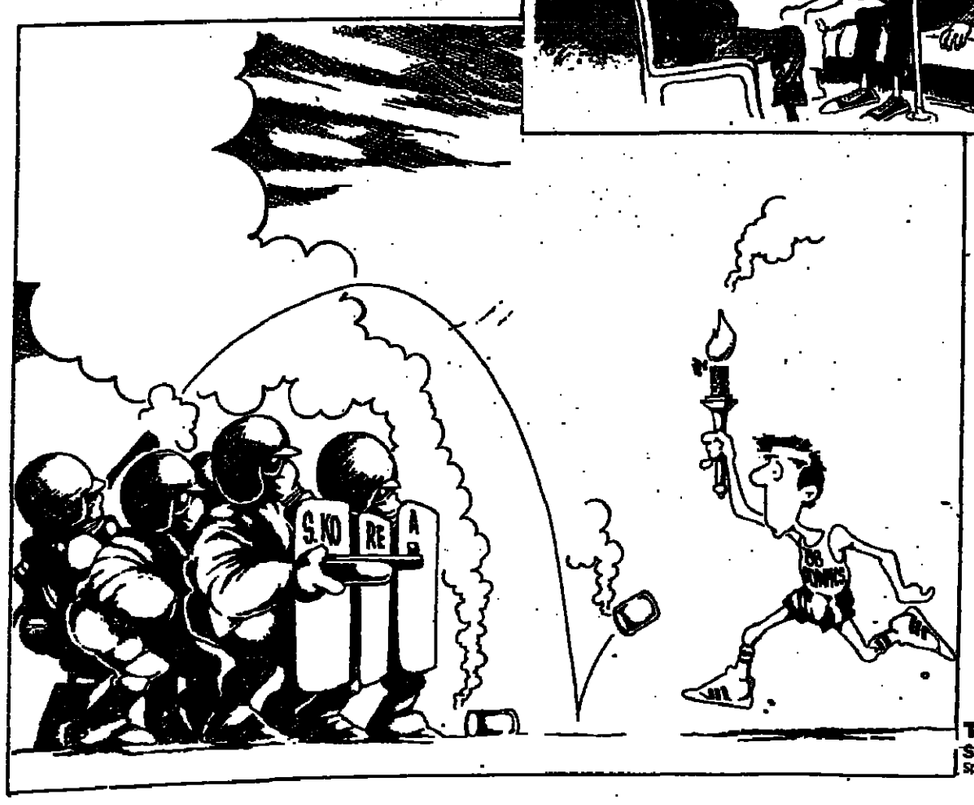
Sygma/Don Goode

Views

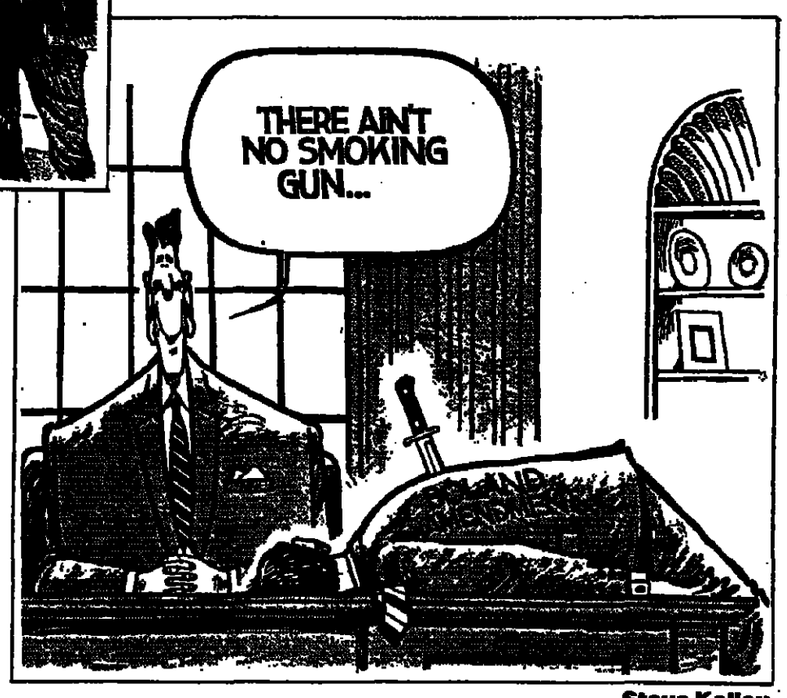
A portfolio from around the nation



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The Budget

Next Hurdle Is Higher

WASHINGTON

CONGRESS'S budget skirmishes are finally over, but the standoff with the White House has just begun.

On Tuesday, President Reagan said using taxes to cure deficits was like "using leeches to cure anemia" and vowed to veto any increases. The next day, the House and Senate Democratic leadership agreed to a $1 trillion 1988 budget that includes $19.3 billion in new taxes next year and $64 billion over three years. Both the House and the Senate are expected to approve the plan this week.

The Democratic budget emerged after weeks of difficult disagreements that raised doubts about the party's ability to govern. The final proposal would give the President an extra $7 billion for the Pentagon budget, but only if he accepts all the tax increases, which are not specified but might include excise taxes, such as those on liquor and cigarettes, and estate taxes.

If President Reagan rejects the increases, the military would be held to $289 billion, just below this year's level and $23 billion less than Mr. Reagan's request.

On the domestic side, the budget would reduce spending by $11 billion, with most of the savings coming from farm programs, foreign aid and Medicare. Another $7.2 billion would come from the budgetary bag of tricks: a one-time savings gained by refinancing high-interest loans made by the Rural Electrification Administration to electric cooperatives, a move that would cost the Government future revenues.

Mr. Reagan quickly dismissed the proposal as "an offer I can refuse."

"Some in Congress are caving in to its old temptation, its old tax-and-spend addictions," he complained to Republican senators earlier in the week, adding that he would not negotiate with the Democrats if taxes were part of any compromise.

Instead of bargaining, he will travel the country promoting the balanced-budget amendment and the line-item veto, themes he has turned to in the past when discussing how to curb the growing national debt, which has more than doubled during his Presidency.

Meanwhile, the Democrats are charging that the President just wants to borrow and spend.

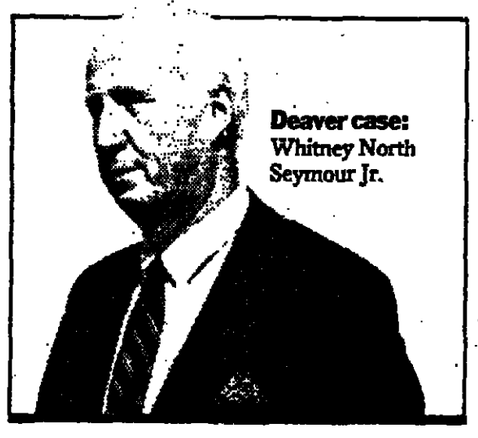
"I hope the President will make my day by abandoning the confrontational strategy," said Representative Butler Derrick of South Carolina in the Democratic response to the President's weekly radio address.

Without a suitable compromise, there will be little or no deficit reduction this year. Despite all the efforts of the last few years, the deficit, now estimated to be in the $180 billion range for 1988, could grow, and the red ink could be rising again.

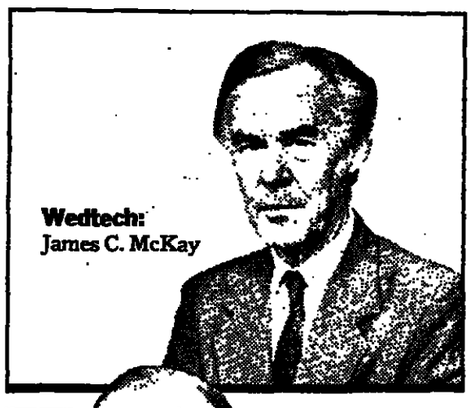
JONATHAN FUERBRINGER

Beyond Politics of the Moment, Constitutional Questions

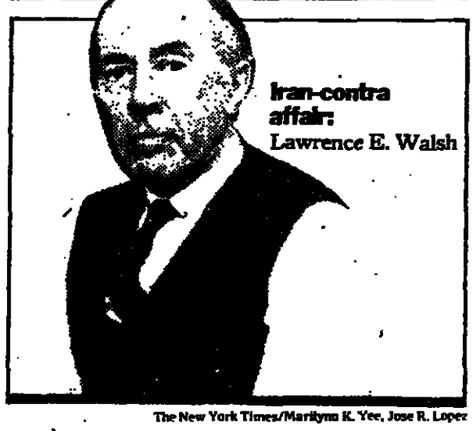
A Case Against Special Prosecutors?



Deaver case: Whitney North Seymour Jr.



Wedtech: James C. McKay



Iran-contra affair: Lawrence E. Walsh

The New York Times/Marilynn K. Yee, Jose R. Lopez

By CLIFFORD D. MAY

WASHINGTON

HALF a-dozen current and former Reagan Administration officials are now the targets of investigations by independent counsels, the specially appointed prosecutors who enjoy almost complete autonomy. So last week, when the Justice Department attacked the independent counsel system as unconstitutional, too costly and subject to abuse, some members of Congress raised questions about the motives behind the attack.

"It sure looks bad," said Senator Carl M. Levin, the Michigan Democrat who is chairman of the Subcommittee on Oversight of Government Management. "After all, this is a system the President supported just four years ago."

John R. Bolton, Assistant Attorney General for Legislative Affairs, said that though Mr. Reagan signed the bill extending the law in 1983, Justice Department officials have long expressed doubts about it. Only lately, he said, has it become clear that "the experiment has failed." For that reason, he said he would recommend that the independent counsel law not be renewed when it expires at year's end. If a reauthorization bill did make it through Congress, he said, he would advise Mr. Reagan to veto it.

The law establishing independent prosecutors was enacted in 1978 as part of the Ethics in Government Act. "One of the things Watergate and the 'Saturday night massacre' taught us was that having high officials investigated by those who work for them or are closely allied with them is not a good idea," said Representative Peter W. Rodino Jr., the New Jersey Democrat who is chairman of the House Judiciary Committee. In the "massacre," President Nixon dismissed a Watergate prosecutor, Archibald Cox, for insisting on access to the White House tapes.

How It Works

Under the current system, if there are serious allegations regarding a top Government official, the Justice Department asks a panel of three Federal judges to appoint a special prosecutor, normally a prominent attorney in private practice, and to define the scope of the investigation. The term independent counsel was later devised to avoid the implication that an investigation is necessarily leading to a prosecution.

In 1984, an independent counsel exonerated Edwin Meese 3d of the financial misconduct charges that were threatening his confirmation as Attorney General. Another independent counsel, James C. McKay, is currently looking into new conflict-of-interest questions about both Mr. Meese and a former White House aide, Lyn C. Nofziger, primarily in connection with the Wedtech military contracting scandal.

Other special prosecutors include Lawrence E. Walsh, who is investigating Lieut. Col. Oliver L. North and others involved in the Iran-contra affair, and Whitney North Seymour Jr., who is examining charges of illegal lobbying by Michael K. Deaver, a former White House aide. Mr. Bolton said last week that Mr. Walsh had spent too much money: $1.3 million as of the end of last month. Mr. Bolton attacked Mr. Seymour as well after the prosecutor subpoenaed the Canadian Ambassador in Washington "in defiance of the most basic principles of diplomatic immunity."

Henry Monaghan, Harlan Fiske Professor of Constitutional Law at Columbia University, said that while he supports the independent counsel law, the questions being raised about its constitutionality deserve debate. "It debases the discussion to attack the motives" of the Justice Department, he said.

The basic thrust of the Administration's argument, Professor Monaghan said, is that criminal prosecutions are a function of the executive branch that, under the doctrine of the separation of powers, cannot be taken away by the Congress or the judiciary. In placing special prosecutors under the control of judges, it can be argued, the law infringes on the powers of the executive.

Defenders of the independent counsel system say that the Framers did not insist upon complete division of authority among Government's branches, but rather intended a pragmatic approach that would avoid "undue disruption" of the executive branch. "I don't think you can make a very good argument that the independent counsel system causes such undue disruption," he said.

Despite Mr. Bolton's contention that independent counsels abuse their powers by pursuing "trivial" leads and focusing on "every technical, picky concern," some have criticized the prosecutors for not being aggressive enough. Those appointed as special prosecutors, the argument goes, tend to be establishment lawyers — Mr. Walsh, Mr. Seymour and Mr. McKay are all Republicans — and view their jurisdiction too narrowly to complete a vigorous investigation.

Toward the end of last week, Senator Levin said he had reason to believe that "the White House is now distancing itself" from the Justice Department's position. A department official who asked not to be identified confirmed that view, adding that there seems to be some White House discomfort over the tone and perhaps even the substance of Mr. Bolton's remarks.

In any case, Mr. Levin said, if the President does choose to veto a renewal of the independent counsel law, "I think we'll have more than enough bipartisan support to overide it."

Growers and Labor Groups Argue Over the Effects of the Immigration Law

Shortage of Farm Workers Puts Pressure on the Harvest

By PETER APPLEBOME

McALLEN, Tex.

LONNIE De LEON spent his days last week meticulously verifying the documents of thousands of farm workers hired by Griffin & Brand Inc., the largest grower of fruits and vegetables in the Rio Grande Valley here. It is a dreary job, but one that growers elsewhere would be happy to do — if only they had the workers to check.

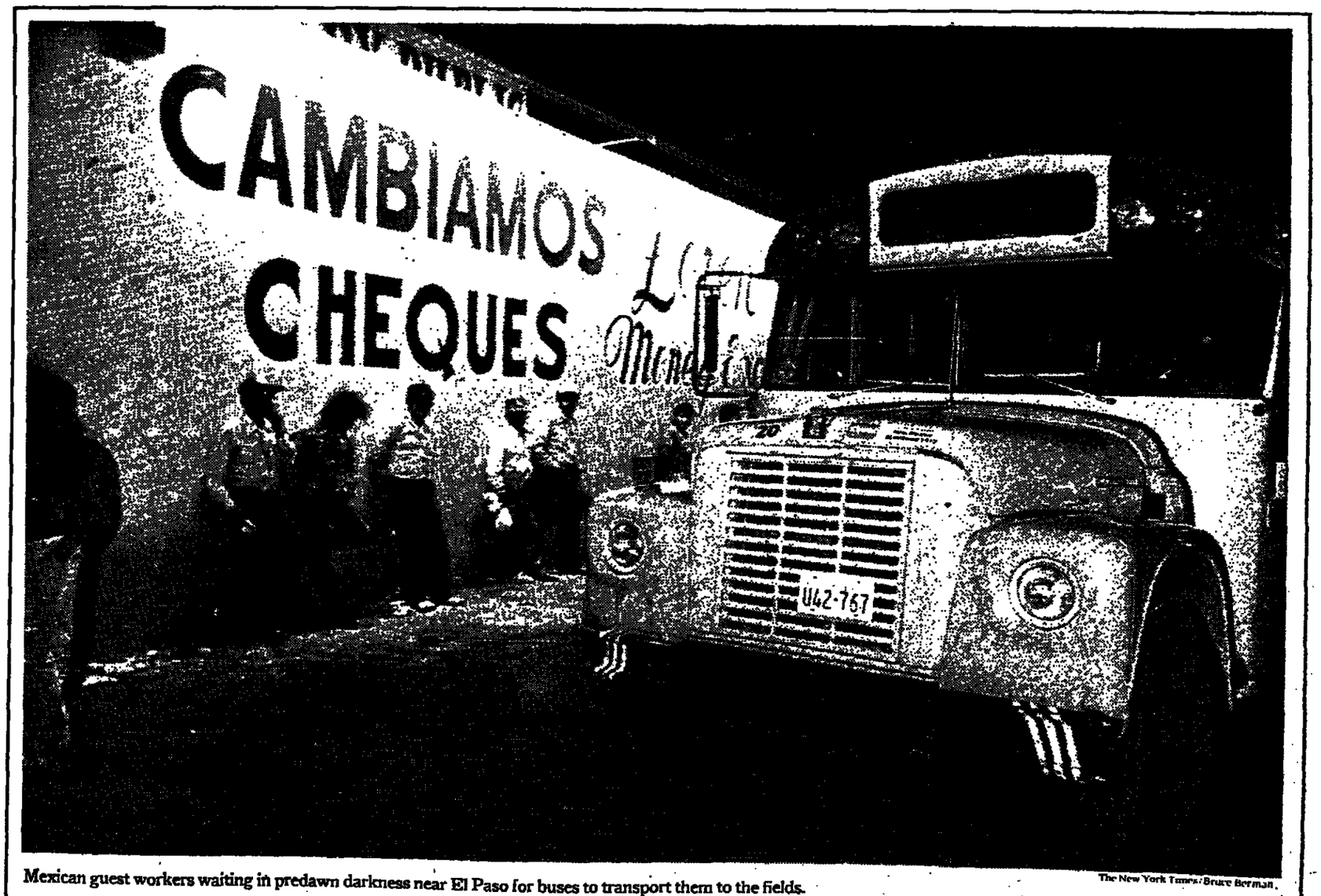
Severe labor shortages last week left early-ripening crops rotting in the fields across the Northwest. In Oregon alone, officials expect the lack of pickers will cause the loss of about 30 percent, or $8 million worth, of the strawberry crop. And the California Farm Bureau reported last week that the supply of seasonal farmhands was 25 percent to 30 percent below the demand.

Officials in both states said the dislocations were brought on by the nation's new immigration law, which provides stiff penalties for the employers of illegal aliens.

In the years of heated debate that led up to the new law, the farm worker question was one of the most difficult to resolve. The labor shortages, which have also affected such urban employers as garment makers, janitorial services and hotels, are bringing home with surprising speed the complexities and unforeseen consequences of the law that President Reagan signed in November.

The United States has depended on imported labor to do much of the least desirable work for much of its history. But immigration policy has seesawed, trying to balance the allure of cheap labor against the demands of American workers, ever since the Alien Contract Labor Law of 1885 was enacted to regulate the flow of Asians.

In the early decades of this century, demand for farm workers boomed. Government figures show 23,991 Mexicans immigrating from 1900 to 1909; 173,663 from 1910 to 1919, and 487,527 from 1920 to 1929. Many left or were deported during the Depression, only to be lured back by the labor shortage of World War II. The boom that followed prompted the so-called bracero program, which recruited Mexicans to work in farms and factories from 1946 to 1964. It was popular with growers and unpopular with American farm workers, who said it depressed wages and enabled the growers to maintain substandard working conditions.



Mexican guest workers waiting in predawn darkness near El Paso for buses to transport them to the fields.

The New York Times/Bruce Berman

A Balancing Act

Last year's law attempted to balance those pressures. For farm workers, it offers legalization provisions far more lenient than those for other aliens: They need only prove they worked here for 90 days in the year prior to May 1, 1986, to win permanent residence. For growers, there was the "guest worker" plan, which dramatically streamlined existing procedures for importing Mexican workers to fill seasonal needs.

Still, no one was entirely pleased. Farm workers say the guest-worker provisions are an open invitation to bypass American farmhands. "There are thousands of workers out of work in the Rio Grande Valley," said Dolores Huerta, first vice president of the United Farmworkers of America. "Yet they haven't gotten any job orders from Washington or Oregon. The employers are trying to get around the law with this big propaganda campaign, so they can bring in foreign workers who can't protest."

Harold Ezell, the Western regional director of the Immigration and Naturalization Service, said growers have resisted using guest workers, because the program requires that they be given adequate living quarters and wages comparable to what a citizen would make. "Growers have been so hooked on the opiate of illegal workers for so many years that they don't want to take the cure," Mr. Ezell said.

But growers and agriculture officials say the new law has changed employment patterns so drastically they have not been able to adapt. Dalton Hobbs of Oregon's Department of Agriculture said that only half of the 20,000 migrant workers needed to harvest huge strawberry and cherry crops have showed up. And many of the workers available were not the skilled pickers of the past. "Traditionally, these producers have had very longstanding, stable groups of people showing up at their doors for the past 20 years," Mr. Hobbs said. "Now they're wondering where these people are. And it looks like most of them are trapped in Mexico."

If so, part of the reason is bureaucratic problems with the guest-worker program there, as well as fear and confusion among Mexicans who might have applied. Quite a few who had worked illegally in the United States have been fired and, back at home, are causing others to doubt their chances of getting work across the border.

By all indications, the tumult over this first harvest under the new law is only the beginning. Analysts say that many newly legal aliens will look for nonfarm jobs. Combined with a sharp drop in the hiring of illegal aliens, said Libby Whitley, executive vice president of the National Council of Agricultural Employers, that may cause "a very significant shortfall sooner rather than later."

Growers say increased costs and smaller harvests will inevitably be passed along to consumers in the form of higher prices.

Many analysts fear that, under these pressures, the guest-worker program will be inflated into something akin to the bracero program. A Labor Department spokesman estimates that it could grow tenfold to bring in 220,000 workers by 1990. Such a huge increase would likely draw angry protests from American farm workers' groups.

The biggest losers figure to be the producers of livestock, poultry, cotton, sugar cane, sugar beets and forest products, whose workers were excluded from the more lenient agriculture amnesty provisions because their goods were not considered perishable. Also hard hit will be small growers who do not have enough seasonal jobs to make the paperwork of the program worthwhile.

West Texas ranchers say the illegal aliens who routinely came to their doors in recent years asking for work are virtually nonexistent this year. John Cargile, a rancher in San Angelo, said he had been unable to find summer help for brush control. "The ranching industry has become so dependent on these aliens from Mexico," he said, "that when they are no longer available it's going to create a void in the labor supply."

هكذا من الاصل

Arts & Leisure

France's Savory Tale of Fate

By RICHARD BERNSTEIN

PARIS

IT'S PERHAPS A MINOR RITE, one of the lesser pilgrimages in this country, but, if you go to the old town of Aubagne, just a few miles from Marseilles, you'll find maps and guidebooks showing how to visit the very spots where Marcel Pagnol, the novelist, playwright and director who was born there, filmed some of his most famous scenes.

Just outside of town, for example, a few miles into a region of scrubby, parched hills marked by clumps of dusty, runt pines and outcroppings of rock, you can see a place known as Manon's Spring, a modest stone basin fed by an underground pipe, just below the town of La Treille. The French have been looking at Manon's Spring in greater than usual numbers ever since last year, when they flocked to a two-part film, directed by Claude Berri and based on one of Pagnol's most powerful novels. Others have farther to travel, but they might well begin showing up in Aubagne after they have seen Mr. Berri's work, the first part of which, entitled "Jean de Florette," opens in New York on Friday.

"Jean de Florette," it can safely be said, is like no other film you've seen in recent years, perhaps not since you last visited your favorite rerun house and saw one of Pagnol's old masterpieces. Mr. Berri, speaking of the two-part novel by Pagnol, said that it is "on the level of the Greek tragedies." Its main characters toil and scheme, cheat and betray — and are then crushed by a fickle, unavoidable, ironic and tragic fate. But, being Pagnol the novels, and Mr. Berri's movies, are Greek tragedies done in southern French style, set amid the pressed-flower landscapes and the dark, cluttered interiors of the parched hill country behind Marseilles, whose truculent, rude, individualistic peasants provided Pagnol with his best material.

The story — not to be given away here — is broken into two parts and two separate films, the one a sequel to the other, each of them concerned with what might be called a basic element of life. In "Jean de Florette" it is water, or, more accurately, the lack of it, which pushes men to greed and betrayal. Jean de Florette, played by Gérard Depardieu, is a larger-than-life hunchback from the city — "a force of nature, an obstinate man with an enormous will," Mr. Berri said — who arrives in the village of La Treille bent on converting an inherited farm into a new Eden. He makes a heroic, moving effort, but is finally destroyed by the envy and greed of two of his neighbors.

One of them, Ugolin, played by Daniel Auteuil, is an ugly weakling who dreams of getting rich by growing carnations. The other, a disabused, cynical peasant sophisticate, is in many ways the major character of Mr. Berri's entire two-part work. His name is César Soubeyran, otherwise known as the Papet — a local term for grandpa — portrayed by Yves Montand, who wears a black hat and a cruel, graying mustache for the purpose. The Papet, a symbol of unalloyed unscrupulousness, manipulates Ugolin, who is his nephew, steering him away from brief seizures of conscience, remaining always steady and unyielding in his goal of driving Jean de Florette from his land, where the two villains have blocked shut a hidden source of water.

That is part one, "Jean de Florette." In part two, known as "Manon des Sources," or "Manon of the Springs" (opening in New York in the fall), a second, less material element comes into play. It is vengeance against Ugolin and the Papet. Then, at the end, there comes, for the Papet, a stunningly terrible fate, a flash of revelation, and it is this, Mr. Berri said, that raised Pagnol's work to the level of masterpiece.

"I was bowled over by Pagnol's book, by the characters, by their complexity, and by this notion of fate, its universal and contemporary aspect," Mr. Berri said. "Pagnol, starting from a story about the search for water, managed to unleash a devastating tragedy. In the end, the story is about the destiny of a man, a life, that becomes visible only in the long term, over a large number of years. That's what destiny is. You try to know why you have been presented with certain chances that you didn't take. You wonder why your life has unfolded the way it has.

"Yes," he went on, "that's what bowled me over. You see in the first film the past of a character and, in the second, you see how it reaches out to crush him."

The tragedy that engulfs all three of Pagnol's creations, Jean himself, Ugolin and the Papet, might — set in some medieval royal court — have provided material for Shakespeare. But Pagnol's genius was to carve drama out of the small, humble people whose lives seem less tragic than backward and old fashioned. Pagnol's films themselves are filled with dusty peasants or shopkeepers whose regional accent was as viscous as the pastis they always drank together, while gossiping, a little nastily, at the village cafe. "There is no poetry outside of the commonplace," Pagnol once said, and these films, with their earthbound, droll, close-to-life characters, slurping their soup and dreaming of wealth, illustrate the point perfectly.

"People like that, full of greed and jealousy, exist in life," Mr. Berri said. "Ugolin is weak; he is dominated and manipulated by the Papet, and he is also consumed by greed. Little by little, however, he is taken over by remorse, so that this character who seemed at first to have no feelings, experiences the greatest of the emotions, love."

"It is in the contradictions in human beings that you find a sort of truth," Mr. Berri said. "Ugolin and the Papet pass for two unredeemed monsters in the first part. Then, in the second, Ugolin is destroyed by love and the Papet by remorse. Both of them are interesting because of their complexity and because of their destiny."

The two movies made something of a sensation in France last year, in part because they evoked a vanished and much missed past in the life of the French, memorialized decades ago by Pagnol in his films, plays and books. Mr. Auteuil, who, until now, was known primarily as a kind of character actor, playing smart, funny, urban hipster types, won this year's best actor award in this country and gained a kind of new, more serious reputation. "The performance of Daniel Auteuil," a French critic, Sylvain Michaux, wrote last year, "is the meeting of an excellent actor with a very beautiful role in a very beautiful film."

For Mr. Berri, whose past successes include "The Two of Us," "The Sex Shop" and "Marry Me, Marry Me," "Jean de Florette" and "Manon des Sources" represent hommage to the master himself. In fact, Mr. Berri has in a sense completed an ambitious project that, ironically, had begun as one of Pagnol's least successful ventures. "Manon des Sources" began as a film, made in 1952, telling a somewhat different, less tragic story than the one recounted in Mr. Berri's more recent work. Pagnol's "Manon des Sources" had its moments, but it was far less notable than his earlier masterpieces and, apparently, he knew it. He never made another film, turning instead to writing almost exclusively.

A decade after filming "Manon des Sources," he set about redoing the story, this time as a novel, first taking it backward in time toward origins that were only hinted at in the movie. That was "Jean de Florette." Then, altering considerably the plot of his original film, he wrote the sequel, "Manon des Sources." Together the two-volume series was titled "L'Eau des Collines," or "Water of the Hills," and, for some reason, remained for years among Pagnol's less beloved novels.

"I saw it by accident in a hotel room and read it," Mr. Berri said, explaining the origins of his project. "In fact, I devoured it. It was magnificent. Then, I saw 'Manon des Sources,' the film, and I realized right away that to do the entire thing, I would have to make two films. That was the ambitious part. It's not usually done in France. But I saw that both films had to be done at the same time."

Mr. Berri filmed for nine months, using up a $15 million budget that is enormous by French standards, overcoming some interesting technical problems along the way, such as the creation of Jean de Florette's large plantation. "Nature itself is the main character of 'Jean de Florette,' which made things very complicated," Mr. Berri said. "The corn was easy," he went on, "but the vegetable garden was very difficult." A year before filming started, he planted 12 olive trees on the farm and then had to water them for 12 months until filming started. An enormous plantation of more than 10,000 carnations was created for "Manon des Sources," to depict Ugolin's ill-won fortune. But La Treille itself, where Pagnol had filmed "Manon des Sources," had become too modern, and Mr. Berri instead chose a village called Mirabeau, farther north, as the setting for the second film in the series.

Mr. Berri insists on several things. First, his "Manon des Sources" is not a remake of Pagnol's earlier work, in particular because Pagnol himself never put the entire, altered story on film. Second, his idea was not to change the novels to make them suitable to the film; it was to shape the film so it would be faithful to the novels.

But if Mr. Berri has done a kind of technically updated Pagnol, it is recognizably Pagnol nonetheless, full of the light and the accents of what Pagnol himself called "the harsh, hard hills north of Aubagne, where the curse of dryness crushed the men of the earth, making their lives a daily calvary." Moreover, Mr. Berri has done us the service of reviving Pagnol, making him more accessible than ever before.



Sygma

Gérard and Elisabeth Depardieu, married in real life, portray husband and wife in "Jean de Florette."

Varied Hispanic Palette

By PETER APPLEBOME

HOUSTON — Martin Ramirez is an unlikely artistic icon. A poor Mexican who drifted across the border around the time of the Mexican Revolution, he did odd jobs for a while before gradually lapsing into what was diagnosed as a form of paranoid schizophrenia. He suffered from delusions and hallucinations, stopped speaking and spent the last 30 years of his life in a mental institution until his death in 1960.

But if he chose not to speak, Ramirez found a way to communicate. Around 1945, he began to draw with colored pencils, creating a pulsating, dreamlike universe full of trains in endless tunnels, statues of the Virgin, folkloric animals, mystical cities and powerful, intricately drawn landscapes.

Ramirez's art was encouraged by a sympathetic psychiatrist and was eventually shown at a gallery in Sacramento, Calif., and then displayed in Chicago, London, New York and other cities. Now its powerful evocation of symbols and textures from both sides of the border forms a central metaphor in a show that is being billed as the first major museum exhibition to survey the contemporary art of American Hispanics. The show, "Hispanic Art in the United States: Thirty Contemporary Painters and Sculptors," was organized by the Houston Museum of Fine Arts, where it will be shown through July 26. It will make five stops throughout the United States and Mexico before appearing at the Brooklyn Museum from June 10 to Sept. 4, 1989.

In an essay introducing the show, the Mexican diplomat and author Octavio Paz writes: "Ramirez is an emblem. The contradictory currents that animated his life — an immersion in the self and an escape toward the outside, toward an encounter with the world — dramatically portray the situation of the Hispanic communities."

The show, in which Ramirez is the only nonliving artist, in a sense is an attempt to explore the contemporary level of those currents and to reflect the conflicting forces pulling Hispanics toward their own distinct cultures, toward a diverse stream of related Hispanic cultures and toward the national mainstream. While its answers have failed to satisfy all its critics, the exhibition is one of the most ambitious efforts to date to make sense of the quiet giant of American culture, the nation's 17 million Hispanics whose culture remains largely invisible.

With the Hispanic population growing five times as fast as the rest of the country, and Hispanics projected to become the nation's largest minority sometime early in the next century, that low profile is slowly beginning to rise. The questions posed by the show — and the intense reactions to it — speak to issues that should dramatically effect the national fabric in the years to come.

The exhibition is not the first on Hispanic art. "Roots and Visions," mounted by the Smithsonian Institute's National Museum of American Art and the Fondo del Sol Gallery in Washington in 1977, received attention, and smaller shows such as "Mira!" — which first showed at the Museo del Barrio in New York— and "Aquí," organized by the Fisher Gallery at the University of Southern California in Los Angeles, have been mounted in recent years. But the Houston exhibition, whose curators are Jane Livingston and John Beardsley of the Corcoran Gallery of Art in Washington, is the most ambitious and seems destined to reach the broadest audience. After Houston it will travel to the Corcoran, the Lowe Art Museum in Miami, the Museum of Fine Arts in Santa Fe, the Centro Cultural de Arte Contemperaneo in Mexico City, the Los Angeles County Museum of Art and, in June 1989, the Brooklyn Museum.

The show features 180 works by 30 painters and sculptors. Some, such as the sculptor Manuel Neri, are relatively well known. Others are largely obscure outside Hispanic galleries. About half the artists were born in the United States, and national origins include Mexico, Cuba, Puerto Rico, Uruguay, Chile and Colombia. Works on display range from Ramírez's dreamlike fantasies, to the folk-art wooden animals of Felipe Archuleta to the vivid expressionistic paintings such as Carlos Almaraz's "Greed." There is a heraldic low-rider 1957 Chevrolet lovingly painted by Gilbert Lujan, barrio portraits by John Valadez and César Martínez, a lurid tableau of barrio life by Roberto Juarez, and the ethereal pottery of Lidya Buzio.

Some of the work, such as the sculptures of Neri and the Mexican-born Robert Graham, has little ostensible "Hispanic" content. Nevertheless, much of the art throbs with the colors, rhythms and themes of America's Hispanic communities, whether in East Los Angeles, rural New Mexico, Spanish Harlem or the streets of Miami. From the religious imagery of Pedro Perez or Luis Tapia to the cartoonish verve of Luis Stand's "El General Sin Manos," or Frank Romero's comment on the clash of Chicano and Anglo cultures in Los Angeles, "The Closing of Whittier Boulevard," there is a heady, self-referential universe here that is as distinctive as salsa music.

The show's main premise, according to the catalogue, is that there is a powerful, unifying commonality amid the diverse background of nationalities, histories and cultures that make up Hispanic America. It is an intriguing thesis, and not an easy one to make in light of the pluralistic broth of Mexicans, Puerto Ricans, Cubans, Salvadorans and others in the Hispanic population whose cultural and political differences have always been more powerful than their similarities. It is also one with enormous social implications, given the dramatic increase expected in the Hispanic population.

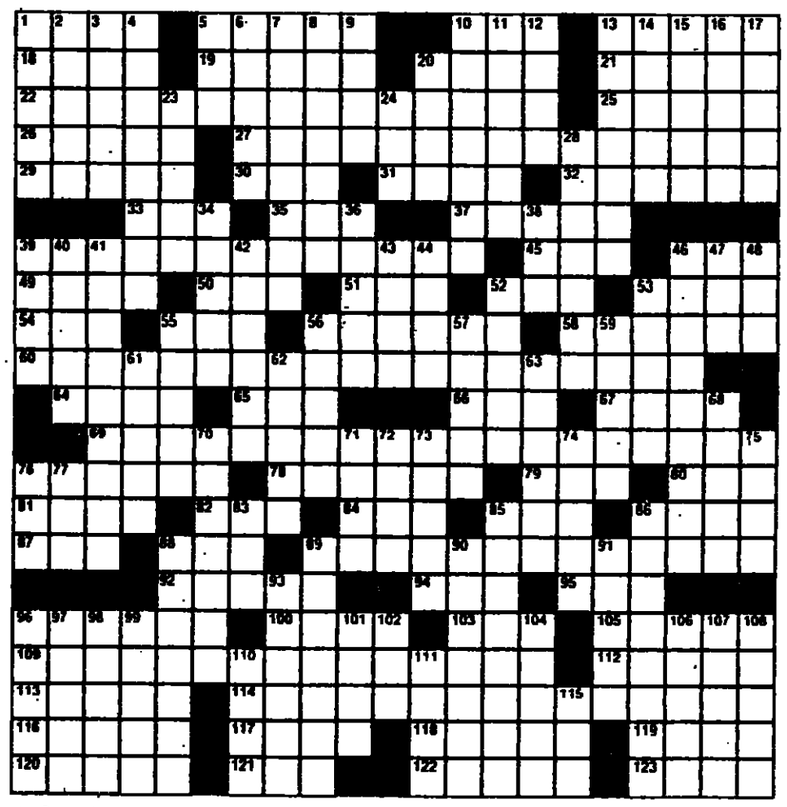
In his essay, Mr. Paz says a common language, the conservative religious culture of Spain and Portugal that gave birth to Hispanic America, the public nature of religion, the primacy of family life and the intense ties that still link Hispanic-Americans with their homelands give a powerful cohesion of "collective acts and attitudes" to the disparate cultures in the show. Similarly, Ms. Livingston says, the artists represented in the show share a mythic landscape of gestures and images, a predilection toward the figurative, and common antecedents such as the Mexican painters David Siqueiros, Diego Rivera and Rufino Tamayo that reflect a common language which is, in her words, "Anglo, yet tenaciously Hispanic."

Still, much of the reaction to the show has reflected the differences in Hispanic culture at least as much as the common elements. Within the Hispanic world, it has been criticized in Los Angeles for leaving out the angry, political Chicano art, and in New York for not including enough art by Puerto Ricans. It has been accused of favoring stereotyped folkloric art and, conversely, of offering too much of an academic, art-for-art's sake response to a visceral, ethnically rooted art form.

The bitterest criticisms have dealt with the issue of political art — or what critics consider the show's lack of it. "In general, politics are important," said Rafael Colon Morales, curator of the Museo del Barrio in New York. "The cultural movement is important. The show's tendency is to select us on a folkloric basis or on how much we mesh in with the mainstream rather than on the confrontational aspects of the art." The fact that neither of the curators is Hispanic and the catalogue did not include any comments from American Hispanics did not help win over the critics either. Dr. Jacinto Quirarte said that Ms. Livingston was "someone who is providing an identity for the artists without understanding their background." Speaking at a symposium that was part of the show's opening, Dr. Quirarte, a professor of art history at the University of Texas at San Antonio, said that Ms. Livingston "imposed a filter that is more one of contemporary art" on the work, Peter C. Marzio, director of the Houston Museum, dismisses this view, saying that its logical extension would be that only an Italian curator could mount a show on Italian Renaissance art.

Dos and Don'ts

BY LOUIS BARON/Puzzles Edited by Eugene T. Maleska



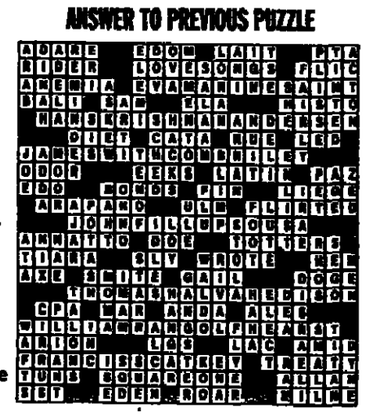
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ANSWER TO PREVIOUS PUZZLE



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Reflections on Reflagging

What should the United States do next in the Persian Gulf? American warships have been there for 40 years to protect American shipping and to give visible expression to extensive American interests. None of that is at issue.

What now provokes intense concern in Congress and the public is a more precise question: Should the United States go beyond this traditional role by putting American flags on 11 Kuwaiti tankers and defend them against Iranian attacks? The President, quick to describe the ships as American, says yes, of course. Members of Congress say, not so fast; show us.

They're right, for the reflagging question uncovers the underlying issue. "Reflagging" would destroy all pretense of American neutrality in the Iran-Iraq war. The tilt toward Iraq might lead to direct hostilities between the United States and Iran, or at least drive an even deeper wedge between them for decades to come, perhaps even pushing Iran under the Soviet wing.

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The enormity of these stakes compels caution. To make matters worse, the Reagan Administration's recent performance and policy in the gulf don't inspire confidence. Even Bob Dole, the Senate Republican leader, feels compelled to say, "I don't think anyone knows quite what the policy is." Sam Nunn, chairman of the Senate Armed Services Committee, urges delay in reflagging.

Washington may well have to take further action in the gulf, especially since the Administration has already pledged to reflag. It cannot simply renege and stand by and do nothing while Kuwait charters Soviet ships, as it has done. Predominance in the gulf bears heavily on regional and global influence. It's entirely possible that a compelling case can be made for reflagging. But the burden of proof is on the Administration to make that case.

In fairness to the Administration, it's necessary to get events in the right order. What inflamed the public was the Iraqi attack on the U.S.S. Stark on May 17. But it was last December that Kuwait first approached Washington about reflagging. It was in March that the United States and Kuwait reached agreement to reflag the 11 Kuwaiti tankers, in the wake of Moscow's permitting Kuwait to charter three Soviet vessels. And it was in March that U.S. intelligence spotted Iran starting deployment of Chinese-made missiles near the Strait of Hormuz.

The Administration understood and accepted those risks at the time. Congress and the public took no exception. Only after the attack on the Stark did people notice, and question.

So the Administration dusted off the neutral rationale that the Navy is in the gulf to defend freedom of navigation. The point is not very persuasive. Iraq, not Iran, started the gulf war. Iraq, not Iran, began striking oil tankers in 1984. Iraq attacks more than twice as many ships as Iran. Does the Administration propose defending Iranian shipping on behalf of principle?

It was not free navigation but the Iran-Iraq war that impelled the Administration to consider extending the Navy's protection to Kuwait. That oil-rich sheikdom helps to finance Iraq against Iran.

The clear danger to regional stability, far more than attacks on shipping, is Iranian fundamentalism. The United States has no warrant for warring on Iran. Iran has not attacked American ships. Indeed, the United States hopes for better relations with Iran after Ayatollah Khomeini. These considerations all argue for caution.

To delay reflagging does not preclude making other arrangements with Kuwait or other gulf states. Nor does it mean, as President Reagan contends, abdicating "our role as a naval power" or opening "opportunities for the Soviets to move into this chokepoint of the free world's oil flow." The United States will retain six frigates and destroyers in the area plus an aircraft carrier battle group. The Russians have no warships there.

The United States has the military power in the region to put off reflagging until the Stark episode settles, American interests are more clearly defined and the Administration puts forward a policy worth taking risks for.

Fathers, Young and Old

A father we know, a man in his early 40's, was thinking out loud about Father's Day. "It was shortly after I had kids that people began postponing parenthood," he said. "As a result, I have a lot of friends my age who are just now starting families.

"They'd be insufferable, with their high-tech strollers and 'Baby on Board' plaques, except that they are also endearing about it. Michael, who always hated kids, fell head over heels in love with his new daughter and doesn't talk about anything else. Elaine, who worked for foundations, researches preschools as if they were potential grantees. Dan, the business writer, plots college financing for his newborn son with the cunning and imagination of a Boesky. Susan, who runs a company, manages play dates and sculpture classes as if they were production schedules and marketing plans.

"Their competence and confidence fill me with envy. I stumbled through my early years of parenthood the way I stumbled through the early years of my career, and I still suffer over the mistakes. Now I've finally achieved some level of self-assurance and what do I get? Adolescents.

"What I'm learning about that, however, tells me my turn for smugness may still come. It's easy to manage little kids: They do what they're told and go to bed soon after dinner. With teen-agers, that all ends.

"What do you do about a young person who won't go to school? Or one with a taste for beer, or marijuana — or worse? Do you try to hold kids to curfews? What do you say when a girl shaves off half her hair and dyes the rest purple? Each crisis is unique. When it comes to teen-agers, there aren't many formulas or tested management techniques. It's every parent for himself.

"At least I'm still hale and alert. By the time my late-parenting friends have to deal with teen-agers, they'll be too old and tired for that kind of aggravation. But I will still be young enough to vacation in Europe, go fishing in Maine and go to the zoo — with my grandchildren."

Punishment for Crime, not Grief

Whether a convicted murderer lives or dies should not depend on the grief or eloquence of the victim's family. So ruling in a Maryland murder case, the Supreme Court strikes down the use of victim impact statements in the death sentencing process. The decision, by a bare 5-to-4 majority, honors important principles.

One is that death is different — uniquely severe and final. The process for imposing it therefore requires special safeguards. Another is that the life-or-death verdict reflects the community's judgment of the killer; the verdict must turn on the killer's character, not that of the victim or the bereaved.

Justice Lewis Powell, never one to disregard the concerns of victims, wrote for the Court that potential killers won't decide to pull the trigger because they think the victim will or won't leave behind a grieving, articulate family. In the case before the Court, John Booth was convicted of shooting to death a Baltimore couple. But it was only happenstance that the couple's children were particularly eloquent about their loss.

Formal victim statements may only inflame a jury, and worse, imply that "defendants whose victims were assets to their community are more deserving of punishment than those whose victims are perceived to be less worthy."

The decision thus raises the question of why the Court did not see the similar implications of its April decision to uphold Georgia's capital punishment system. In Georgia, the death sentence is four times more likely when the victim is white; the life of a white murder victim clearly is valued more highly than that of a black victim.

Victims have rights, often disregarded by law enforcement authorities, to courteous treatment and notice of the progress of criminal cases. But the choice of death or life imprisonment, already skewed by racial discrimination, needs no more help from the Supreme Court.

Swill and Spill

The beer slobs are those grinning rowdies who get sloshed in the stadium and slosh beer on others. To its credit, the New York Legislature is determined to keep them in check. Threatened with legislation to require alcohol-free "family sections," stadium operators promise tougher controls on drinking in the stands. The Legislature ought to keep up the pressure.

Stadium owners have shown willingness to address the problem. The Mets and the Yankees offer low-alcohol beer, cut off beer sales after the seventh inning and beef up security. That's helped to reduce brawling, but beer throwing and other unruliness remain a problem.

A bill by Assemblyman Richard Brodsky would ban alcohol in one-fourth of the seats in all sections. Consideration has been delayed to give team owners a chance to propose their own plan, for the sake of fans who know how to enjoy their beer without swilling or spilling. But Mr. Brodsky deserves praise for keeping the heat on.

Topics of The Times

More Than a Lawyer

Orville Schell Jr., who died last week at the age of 78, exemplified the kind of New York lawyer whose public spirit, and career, transcended the practice of law. His name and reputation rank with those of Whitney North Seymour Sr., Orison Marden, Francis Plimpton, Herbert Brownell and Cyrus Vance.

He led the Association of the Bar of the City of New York in the 1970's with a sharp eye for civil rights at home and human rights abroad. When the American Bar Association supported the Supreme Court nomination of G. Harrold Carswell, he marshaled rank-and-file opposition to an unqualified candidate. He chided Argentina's lawyers for timid reluctance to defend victims of repression. When the organized bar went along with the Vietnam War, he led a lawyers' march on Washington to protest the military campaign in Cambodia. He will be remembered, and missed, for his vigor, cheer, professionalism — and conscience.

Letters

Do We Want Big Business to Be Our Bankers?

To the Editor:

Your June 7 front-page article "Treasury Now Favors Creation of Huge Banks" deserves much more than passing attention, for it deals with issues basic to the structure and functioning of not only the commercial banks but also the entire financial system.

Your article stated that top Treasury officials as well as Alan Greenspan want to encourage the creation of huge banks, at least some of which would be controlled by large industrial or commercial companies, and implied that policy on such issues may be made not by Congress but by Federal regulatory agencies — the Federal Reserve Board, the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

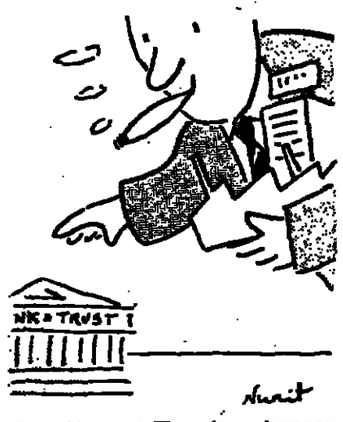
Even without further changes in official policies, the banking system faces rapid and profound changes. With expanded powers, thrift institutions are invading areas formerly reserved for commercial banks. Technological changes are proceeding at a rapid and even accelerating rate. And the crumbling of barriers to interstate banking is releasing a flood of mergers and acquisitions within the banking industry. One hopes that most of the resulting institutions will be sound and efficient. But some costly mistakes and failures must be expected.

Now it is proposed that two important banking laws be reconsidered and perhaps repealed. One is the Glass-Steagall Act of 1934, which separated underwriting from commercial banking. The other, with deeper historical roots, is the Bank Holding Company Act of 1956, which prohibits nonbanking companies from owning banks.

These proposals raise two sets of questions: In what ways should these laws be changed? And who should change them — Congress or the regulatory agencies?

Outright repeal of these laws, with no protective measures, is unlikely to yield acceptable results. For example, experience in the 1920's revealed serious abuses and conflicts of interest in combinations of investment and commercial banking. Some banks did load customers' trust accounts with low-quality bonds underwritten by their investment affiliates. Some underwrote and sold questionable bonds to outside investors and used the proceeds to repay loans to the bank. Appropriate regulations can keep such shortcomings and abuses within tolerable limits, but a simple repeal of Glass-Steagall is unlikely to do so.

Repeal of the law prohibiting ownership of banks by industrial or commercial companies would reveal even more potential abuses and conflicts of interest. There is no shortage of ways that a management can benefit its nonbank company at the expense of a bank affiliate, or benefit its bank at the expense of a subordinate nonbank affiliate. And there is no assurance that a management appropriate for an industrial firm would also be capable of running a safe and efficient bank.



Do we really want General Motors, General Electric or Exxon to control our biggest banks, to allocate depositors' funds and determine the availability of credit for millions of business firms and individuals? How about nonbanking companies that have achieved their large size primarily through mergers, acquisitions and highly speculative activities, or those that would want to acquire banks primarily to finance themselves or their customers or suppliers? Again, simple repeal of the existing law is unlikely to be enough.

Who should make policies in these areas? Paul Volcker, retiring chairman of the Federal Reserve Board, has maintained consistently that at least the basic principles should be determined by Congress; to leave such decisions to the regulatory agencies would be undemocratic procedure and unlikely to yield acceptable results. He has been especially critical of the piecemeal changes resulting from a series of judicial decisions that took little or no account of broad economic consequences.

It is to be hoped that when he succeeds Mr. Volcker, Alan Greenspan will adopt and support adamantly a similar position. If he does not, he may be forced into unwise policies by colleagues whose ability and judgment are far inferior to his own. And it is to be hoped that Congress will at last quit stalling and face up to its responsibilities, as it should have done months ago.

LESTER V. CHANDLER
Princeton, N.J., June 11, 1987

The writer is emeritus professor of economics at Princeton University.

Bernhard Goetz and the Celebrated Defender

To the Editor:

Let every New Yorker — black, white, Hispanic — take a seat in the jury box. You are to decide one of the most publicized murder cases in memory. It has ugly racial overtones and rears the hateful head of vigilantism. The major question is, were the victims threatening the defendant? Was there an actual threat or was it in the imagination? What actions give any member of society the right to shoot to kill just because he thinks he is in danger?

One of the most famous defense attorneys in the nation turns his charm and very considerable oratorical skills on you and says:

"I will tell you what the law is, and the court will confirm me, I am sure. Every man may act upon appearances as they seem to him. Every man may protect his own life. Every man has the right to protect his own property. Every man is bound under the law to disperse a mob even to the extent of taking life. It is his duty to do it, but back of that he has the human right to go to the extent of killing to defend his life. He has the right to defend the life of his kinsman, servant, his friends or those about him, and he has a right to defend, gentlemen, not from real danger, but from what seems to him real danger at the time."

That wasn't Barry Slotnick defending Bernhard Goetz in June 1987. That was Clarence Darrow, in May 1926, over 60 years ago, defending Henry Sweet, brother of Dr. Ossian Sweet, a successful Detroit gynecologist.

Dr. Sweet was black. He had bought a house in a "white" section of the city and was immediately the target of threats. He moved into the house with his wife, brothers and some friends, bringing a minimal amount of furniture and lots of food, guns and ammunition. His child was left with his in-laws. A mob of whites formed quickly. Police were sent to stand by. For two days the house was surrounded. Then, shots rang out. A member of the mob died. Another was wounded.

When Darrow finished his summation to the all-white male jury, they retired, deliberated and returned a verdict of "not guilty."

ALAN LAWRENCE
New York, June 17, 1987

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Wild East

To the Editor:

As a white person who rides the subway several times a day, through varied neighborhoods, I am outraged and sickened by the verdict in the Goetz trial, and the seemingly overwhelming support for it and Bernhard Goetz. What kind of society have we degenerated into when we not only excuse but condone this kind of vigilante action? After this travesty, I fear we are in danger of making a reality out of the Wild West image so many non-New Yorkers have of this lively, beautiful city. Even if not that, we are less of a civilization than we were.

Following the logic of Barry Slotnick's defense, which much of the jury apparently accepted, if I were to find myself seated next to Mr. Goetz and felt threatened by him — a known, gun-carrying assailant — it would be not only acceptable but reasonable for me to take any action to defend myself against possible bodily harm, including shooting to kill. (I can't help but wonder if Mr. Slotnick would volunteer to defend me at my trial.) Absurdly, the jury convicted Goetz of only a single weapons charge, saying in effect that it was permissible for him to use the gun but not to carry it.

In all my years of riding the trains, never have I felt as unsafe as I do today. Far from what they may believe, Bernhard Goetz and Barry Slotnick, and the trial jury, have insured that the streets of this city will be more dangerous now than they ever have been.

JONATHAN FREUND
New York, June 17, 1987

Landslides Triggered By Electorate Apathy

To the Editor:

Once again, professional political scientists obfuscate a genuine political issue by quantifying its consequences rather than investigating seriously its causes ("More and More, House Races Aren't Races but Runaways," news article, June 15).

Worrying about the decline in electoral competition for House seats, your sources weakly suggest that the cause lies in incumbent access to "communication" with voters. Nowhere do they hint that closely contested elections may require a genuine contest among competing programs, policies or values (and it helps if these choices are organized by disciplined political parties). So I suspect that the phenomenon measured in the article is caused by an accurate voter perception that House elections rarely offer significant variations of a "me too" choice. Why bother?

At any rate, those troubled by this issue might ask more pointed questions to test their conclusions. What about voter turnout? Is the growing number of landslides in Congressional districts accompanied by declining voter participation? And if that is the case, shouldn't we look around for ways to reverse a growing challenge to the legitimacy of election results?

In that spirit, let me offer a modest proposal: What if no candidate for Congress could be certified as elected unless at least 65 percent of the eligible voters had participated in the election? This mild reform (compared with European voter turnouts) could revive a spirit of competition in our electoral process. I for one would rather be governed by people elected with the participation of a significant proportion of my fellow citizens (even if by a landslide) than by those chosen (even if in a close vote) by a small minority of the electorate.

MICHAEL MUNK
Piscataway, N.J., June 16, 1987

Matthew Henson: Black Explorer Used and Discarded by Peary

To the Editor:

There can be no doubt that Matthew Henson, described in a June 7 news article as both an intrepid explorer and a victim of racial prejudice, experienced both. There are several statements made in this account, however, that are at variance with the known facts of Henson's relationship with Robert E. Peary, who claimed discovery of the North Pole in 1909 with a party of six, including Henson and four Eskimos.

Those who seek to gain rightful honors for Henson as a leading black Arctic explorer observe that Peary always maintained he "could not get along without him" when in the field; but they fail to recognize the subjective racist reasoning in his decisions and in his treatment of Henson after they returned home in late 1909.

Many friendly Peary and Henson biographers have pointed out that Peary did not want to share his polar honors, disputed though they may have been. He declined to take his second-in-command, Bob Bartlett, because he would have had to share the achievement with a fellow white explorer and a British subject at that.

Henson was an American citizen, but no one, Peary evidently reasoned, correctly, would think of a black man as being eligible to share polar laurels (although by his own account Henson led the final march to what they determined to be the Pole). The "long and close friendship" of Peary and Henson was not apparent after they returned from their expedition: in the decade before Peary died he did not see his fellow explorer once, never invited him to his home and made little effort to obtain financial help or recognition for him. Henson read of Peary's death in the newspaper.

Prof. S. Allen Counter of Harvard has been cited several times as having "disclosed" or "uncovered" the "secret" of the Peary and Henson Eskimo sons, information known to readers of the controversy that resulted from the rival claims of Peary and Frederick A. Cook. A picture of Karree Peary with his Eskimo mother was published in books and magazines of that period, the earliest in 1910.

What should be examined is the Peary treatment of Henson after they returned from the Arctic, not on the expeditions, where he made use of Henson's field skills and ability to communicate with and earn the trust of the Eskimos. It is reflective that the Peary family's authorized biographer of the explorer used the term "manservant" to describe Henson — this in 1967.

Contrast that with the actions of Peary's archrival Cook (acknowledged by many polar historians now as having reached the Pole a year before Peary), who in 1892 took the black explorer into his Brooklyn home and paid for a specialist who treated Henson for the effects of a frozen eye suffered on the Kite expedition of that year.

The writing of documented black history will not be served by perpetrating unsubstantiated conclusions and ignoring the motivations of a man who achieved his honors after discarding another man who was instrumental in their achievement.

RUSSELL W. GIBBONS
Pittsburgh, June 8, 1987

The writer is a contributor to the Arctic Profiles Project of the Arctic Institute of North America and of Fram, the Journal of Polar History.

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

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WASHINGTON | James Reston

Too Late for Reagan

WASHINGTON

The decline of President Reagan's influence here is more than a problem, it's an embarrassment. The capital is still hoping that he'll get an arms deal with the Russians, but mainly it's turning its attention to his eventual successor.

Mr. Reagan will, of course, go on and on like a stuck whistle calling for a line-item veto and a constitutional amendment to balance the budget, but the Congress is now waiting him out and trying to control the damage.

It will not be easy. After he cleaned out the basement in the White House and appointed Howard Baker as his chief of staff, it was hoped that Mr. Reagan would compose the differences within his Cabinet and improve his relations on Capitol Hill, but the new regency is still divided.

Secretary of State Shultz had serious misgivings about flagging the Kuwaiti tankers in the Persian Gulf, just as he opposed the President's decision to ship arms to the terrorists in Iran.

Likewise, Mr. Baker thought it was a "unique opportunity" when the Russians decided not to increase their flotilla in the gulf and offered to consult on ending the war there, but the President preferred confrontation to cooperation.

Unfortunately, the Iran-contra hearings will probably dominate the news for most of the summer, with Colonel North and Admiral Poindexter on the stand testifying on what the President knew and when he knew it or forgot it, but after all this pawing over the past, there will still be time to plan for the future.

With the decline of Reagan, the transition is starting earlier in this election than usual. There are some thoughtful people in both parties who recognize that the situation is too serious to be left to Mr. Reagan or the candidates, who are roaring around the country selling themselves.

Gov. Mario Cuomo of New York, for example, is proposing the formation of a national bipartisan economic commission to study the budget, trade, monetary and other related issues so that the Presidential nominees, whoever they are, will have some considered judgments to guide them in the campaign.

Starting early on '88.

Others are suggesting similar commissions on arms control, drug control, education reform and public health to assist the winners and nourish the national debate in the '88 campaign.

Their reports, of course, would not commit the nominees to anything, but would at least be orderly and objective summaries of the principal issues for decision.

One of the major problems of our Presidential elections is that the winner usually staggers out of an exhausting campaign with only a few weeks to pick a cabinet and a White House staff, draft an inauguration speech, deliver a State of the Union Message and construct a budget.

Unlike the chief executives of other democratic countries who have permanent undersecretaries of the various departments and agencies who carry on from one administration to the next, the winner of our election inherits little more than a party platform that he didn't write and a civil service that he doesn't know.

This is the argument for an expanded "transition period" beginning now. The situation in November of next year will not be like November of 1984 when the re-elected Ronald Reagan carried his first-term team into his second term. After the next election he will be gone, and both parties will have to begin anew.

After the assassination of President Kennedy, I spent a few days with President Johnson at his ranch in Texas. He was grappling with this problem of transition.

"You know," he said, "I've been around Washington for quite a while, and I know some people from the South and the Southwest, but with all these jobs to fill I'm just realizing I don't really know where the good people are in the Middle West or the far West. I don't know how to find them."

He said that when he had to appoint judges, he had the help of the bar associations, and he wondered whether the press associations in the various states couldn't get together rosters of the most talented people in their areas. It wasn't his best idea but it illustrates the problem.

If the political parties were strong today, they would take on this task of preparing for the campaign, collecting the data for the coming debates and mustering the best talent at their command.

But like the President, they are not now in a strong position. They are leaving the job primarily to the announced candidates, who are out raising money and speaking primarily for themselves. □

Jews Are Aghast at the Pope's Invitation to Waldheim

By Arthur Hertzberg

In September 1971, in a synagogue in Paris, there was a new beginning in the often painful history of the relations between Jews and Roman Catholics. For the first time ever, the Vatican had sent an official delegation to the table to meet with an equally weighty group that spoke for the major Jewish organizations.

In three days, most of the issues that continued to preoccupy Catholics and Jews, from anti-Semitism to abortion, were aired, and the delegates discovered how long the journey was yet to be before Catholics and Jews could wipe away the legacy of centuries of persecution and disrespect.

Arthur Hertzberg, a rabbi, is vice president of the World Jewish Congress and professor of religion at Dartmouth College.

The moment of that meeting that I cannot forget was an intervention by Archbishop Roger Etchegaray of Marseilles, who is now a Cardinal at the Vatican. He turned to me, at a break in the proceedings, and said: "The issues are not important, old and tragic though they may be. At this meeting, we must begin to look into each other's hearts and begin to feel each other's pain."

Pope John Paul II has now granted Kurt Waldheim an official audience. He has done this even though — or perhaps because — every civilized government will have nothing to do with this President of Austria, who lied about his Nazi past. I shall heed Cardinal Etchegaray's injunction and try, first, to look into the heart of the Pope.

Mr. Waldheim is a practicing Catholic and, no matter what his state of grace, he is entitled to the pastoral concern of the church. Austria is a very Catholic country, and it cannot be excluded from the love of Peter's successor.

But must the Pope be his pastor? Is there no priest in all of Austria to minister to Mr. Waldheim? Is there no other way of saying to the Austrian people that they are cherished sons of the church?

The Vatican now says it is "surprised and grieved" by the subsequent outcry. Let me, then, ask my Catholic brothers to understand the pain in a Jewish heart. I speak not of the pain of the centuries but of the hurts of recent years. We have rejoiced in the zeal of the church, and especially that of the present Pope, in the battle against anti-Semitism.

Will he help the Austrian resign?

We know of quiet interventions for people in trouble, and it would be wrong, even at an angry moment, not to acknowledge this fraternity.

But our discomforts have been growing. We are ever more convinced that in the Nazi era, and in the immediate years thereafter, the church, on balance, worried more about fleeing Nazis than about dying Jews. Pope John Paul II continues to withhold diplomatic relations from Israel. He recently beatified Edith Stein as a Catholic martyr when all Jews, including members of her family, and many Catholics said publicly that the death of this nun of Jewish origin was part of the Nazi persecution of the Jews and that she was deported while agencies of her own order were dilatory in offering her haven.

The memory of the Holocaust and the miracle of Israel's existence are the two high dramas, one tragic and the other glorious, of our Jewish lives. We know that the leader of our Catholic brothers remains deeply shaken by his own youthful memories of Nazi-occupied Poland and that he is glad that Jews are no longer hunted, but we fear that the Pope does not feel our pain as we feel it or share in our great joy in Israel as we do.

There is burning outrage in the Jewish world at the invitation to Kurt Waldheim, and the bodies that began the formal dialogue with the church are now asking whether this relationship can continue, especially since the Pope has asked that the current topic be the Holocaust.

In recent months, Jewish leaders have indeed argued with one another about the tactics to be used in the battle with Mr. Waldheim, but the Jewish world is united without dissent that a man of his murky past, who looked away while Jews were murdered and Yugoslav villages were burned, is not morally acceptable as a world leader. In this they are joined by all Western opinion, except for a dividedAustria.

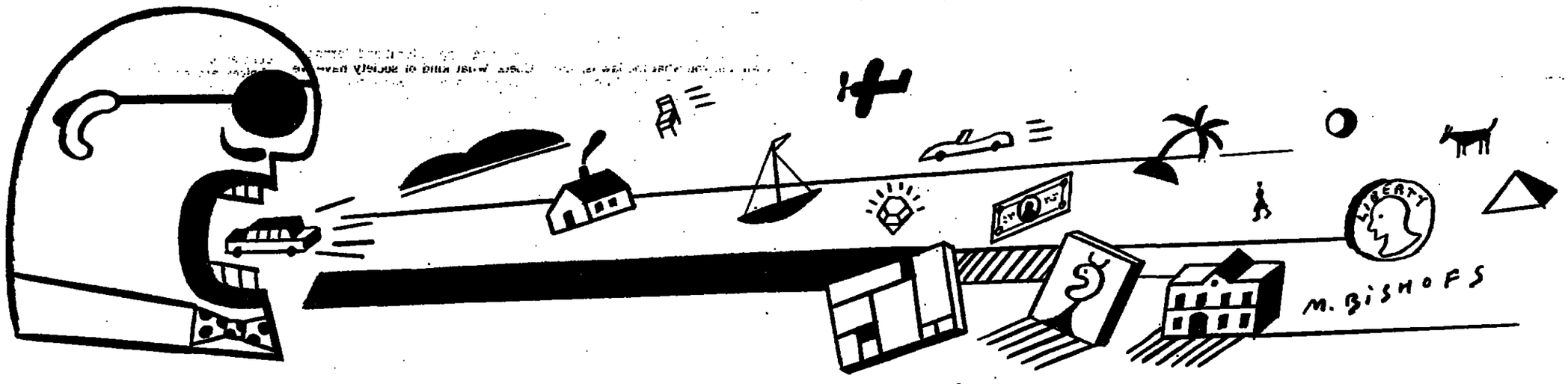
I cannot believe that the Pope expects to reverse this judgment, or even to unite Austria, by having the Swiss Guard salute Mr. Waldheim as he arrives at the Vatican gate.

My heart tells me that it is not so simple — at least, I hope so. Otherwise this incident will be no isolated tempest that will blow over. It will poison the highest levels of Jewish-Catholic relations.

I hope that the Pope has invited Mr. Waldheim to provide him with a graceful way of leaving the Presidency of Austria. If that is the penance that the Pope is imposing, he will serve Mr. Waldheim and Austria, and both Catholics and Jews. The Pope will then be seen as the leader of a church that wants to turn away from Mr. Waldheim's sorry past and to confront its own collective conscience. A simple whitewash by the Pope of the evasive Mr. Waldheim is unthinkable.

I await good news from Rome, the news of a courageous leader acting for the future, because I tremble at the thought of another, regressive and angry era in the relations between Jews and the church. □

Where Greed, Unofficially Blessed by Reagan, Has Led



By Jim Hightower

AUSTIN, Tex.

There has been no end of anguish recently about the philosophy of greed that, armed with the unofficial blessing of the Reagan Administration, seems to have invaded a distressingly large number of our institutions, from Wall Street to the electronic ministry.

But what we do not often hear discussed is the dangerous, perhaps even historic, polarization of society it ha.. ed to.

● Fifteen years ago, the richest 1 percent of American families held 27 percent of the nation's wealth; today, they are approaching and may soon surpass the 36 percent peak share attained in 1929.

● For the poorest 20 percent of American families, annual incomes (in real dollars) are one-third less than they were 15 years ago.

● In 1981, only four corporate executives took a million dollars or more in annual compensation; last year, 220 chief executives earned more than a million dollars.

● Nearly half of the new jobs created from 1979 to 1985 pay less than a poverty-level income — $180 a week.

● While New York City stock brokers complain about the difficulty of maintaining their life styles on $600,000 a year, one out of five children, two out of five Hispanic children and three out of five black children now live in poverty.

Jim Hightower is commissioner of the Texas Department of Agriculture.

Last year, there were 4,022 mergers, leveraged buyouts and takeovers in this country. They soaked up $190 billion in capital. In the last three years, 9,000 companies changed owners at a cost of nearly half a trillion dollars. For what? Not for new plants, products or jobs, but for paper shuffling, for lawyers, accountants, brokers, bankers and big investors — hundreds of millions of dollars paid in nonproductive fees to achieve nonproductive ends.

An example: Kohlberg, Kravis & Roberts, an investment syndicate, has engaged in two dozen buyouts since 1979. Last year, it bought Beatrice Foods, the largest food conglomerate in America, for $6.1 billion. Beatrice had previously bought Norton-Simon for $1.1 billion and Esmark for $2.8 billion. Ten billion dollars changed hands without creating one new job or product. It did make Kohlberg, Kravis & Roberts, which couldn't make a biscuit if someone kneaded the dough, the largest food manufacturer in the United States.

Having cornered the processing market, this syndicate decided to get into retail sales. It undertook a takeover of Safeway, at a price of $4.2 billion. But it didn't use much money. Instead, it leveraged Safeway's assets to pay for the debt. That means it leveraged stores and careers and thousands of middle-class households and the interests of several communities.

Nearly 1,000 of the 3,000 Safeway stores are expected to be closed or sold to pay for the deal, affecting up to 30,000 employees. Already 8,600 Safeway workers in north Texas have been laid off.

These employees are paying for the good fortune of Kohlberg, Kravis & Roberts, which paid itself $60 million in fees to handle its own takeover of Safeway and will soon profit tremendously from the resale of its Safeway stock. The lawyers for the deal made $10 million.

So did Morgan, Stanley, which acted as a consultant. Even the printer of the documents for the takeover made $3 million. The Dart Group, which had lost an earlier bid to take over Safeway, made $150 million as a kind of consolation prize.

None of this is illegal. But there is a larger danger here, arising from the growing concentration of wealth and power and the squandering of billions of dollars in unproductive activity that does nothing to help the 90 percent of us at the bottom of the economic totem pole.

There is nothing wrong with the pursuit of fame and fortune — indeed, it has helped to make America great. But we cannot allow American gumption to be reduced to a valueless pursuit of self-aggrandizement, as measured by condos and automobiles and Cuisinarts.

This year, we are indulging in self-congratulatory celebration of the 200th anniversary of the Constitution. While reminding ourselves how we have worked to build a great nation, we must also celebrate the prospect that in the next 200 years, outsiders, mavericks and other champions of social justice and economic opportunity will strive to democratize that document.

Any celebration of our democracy must embrace both the Founding Fathers and the work of ordinary people who have joined in common cause. The 1980's have been a decade of regression for the ordinary people. It is time to replace the nation's ethical rudder. □

Why the Goetz Verdict Was Not a Landmark Precedent

By Franklin E. Zimring

BERKELEY, Calif.

The jury of his peers that has spent most of the spring with Bernhard H. Goetz has rendered a mixed verdict: guilty of one felony gun charge, innocent of 12 more serious offenses, including assault and attempted murder. Now comes the open season for pundits identifying the deeper significance of the Goetz trial and the jury's verdict. For almost three years, the Goetz affair has served as a lightning rod for hyperbole about American crime, urban conditions and criminal justice. We can now expect to hear about the many ways in which the trial itself was a landmark precedent.

Franklin E. Zimring is director of the Earl Warren Legal Institute at the School of Law at the University of California, Berkeley.

Thank heavens, it was not.

One way to gain perspective on this outcome is to list a few larger lessons that the jury's verdict does not support. Mr. Goetz was not vindicated by this verdict, the Manhattan prosecutor was not repudiated and New York's gun control laws were not rejected.

The criminal jury system as a way of trying a case like this muddled through rather well, though I suspect a plea bargain would have done the job even better.

Of all the misconceptions that can be drawn from the Goetz verdict, the most popular and the most dangerous is that the jury approved of the subway shootings. After all, the Goetz defense was that the shootings were "justified," and the jury bought it. Isn't this the Good Housekeeping Seal of Approval for the defendant's acts?

Attaching such significance to the jury's verdict, however, is unjustified for two reasons. First, once a defendant shows some evidence of reasonable fear that he was to be robbed, New York law requires that the state prove beyond a reasonable doubt a lack of justification before the defendant can be convicted of assault or attempted murder. Giving Mr. Goetz the benefit of the doubt on crimes like aggravated assault and attempted murder cannot be read as a celebration of his intelligence or as an approval of the woundings.

This is particularly true for Mr. Goetz because the jurors engaged in extensive deliberation and convicted the defendant of a felony charge. The verdict thus has all the hallmarks of a compromise in which jurors were willing to acquit on the more serious felonies because a conviction was available on the gun charge, one that conveys felony stigma and authorizes substantial punishment. Whether that sort of compromise is appropriate in this case can be debated, but unquestionably the verdict is not an endorsement of subway vigilantism.

A plea bargain was preferable.

By the same token, the jury's verdict should not be read as a repudiation of the propriety of bringing the more serious charges of assault and attempted murder against this defendant. None of the charges against Mr. Goetz were frivolous, nor did the jury treat them lightly.

The nature of this compromise verdict will lead some to suggest that Mr. Goetz was convicted on a "technicality" and will provoke opponents of gun control to argue that gun control laws are unjustified because people like him get convicted. Nonsense. The charge that Mr. Goetz was convicted of was illegal possession of a gun.

The presence of that weapon directly led to the life-threatening injuries at the heart of the case. This charge was no more a "technicality" than any of the others and just as directly linked to the criminal harm.

It was, after all, a loaded and unlicensed pistol that catapulted this defendant's fear to its near-lethal consequences. Conviction on this charge can thus constitute a rational compromise supported by a coherent penal theory.

Conviction on this felony also is attractive because it will permit a flexibility in sentencing in New York that conviction on some of the other larger offenses would preclude.

Very few observers believe that Mr. Goetz is a suitable candidate for protracted imprisonment. Public opinion would make a long sentence a political disaster as well as a penological mistake. Yet many of the other charges in the Goetz case were burdened with mandatory minimum prison sentences that would ill-serve this defendant and the public interest.

So the criminal jury system muddled through rather well in the Goetz case. The jury's verdict may be more notable for its prudence than its landmark status. Oddly enough, however, plea bargaining might have worked better, because the outcome would have been the same and the state would not have had to risk the possibility that a jury would acquit Mr. Goetz of all charges, including the illegal gun possession charge. Acquittal on all charges would have been a disaster — and deeply offensive.

The system of plea bargaining is famous for the practical compromises that may have been the best result in this case. We have just seen that even a compromise jury verdict may be interpreted as racist, rightly or wrongly. If the more serious charges had been dropped in exchange for a plea to the weapons felony, both the human costs of the trial and the potential for public misunderstanding could have been minimized. □

JARDINE MATHESON'S HEIR-ELECT: Brian M. Powers

In Hong Kong, an American 'Tai-Pan'

By NICHOLAS D. KRISTOF

HONG KONG

IT is not power so much as magic that swirls about the tai-pan of the Jardine Matheson group — a legacy of opium and intrigue that goes with being the "big boss" of Asia's famous trading company. Chronicled as Struan and Company in James Clavell's novels, Jardines is more than an international conglomerate; it is a legend.

At least nine streets in Hong Kong are named for tai-pans at Jardines, which has towered over the British territory for 145 years, dealing in opium and silk in the last century and everything from ice cream to investment banking today. The tai-pan of the Noble House — or the Princely Hong, as Jardines is also known — inherits the mantle of William Jardine, the first tai-pan, a shrewd Scotsman nicknamed by the Chinese "iron-headed old rat."

Most of the tai-pans — whose arrivals in earlier days sometimes were greeted by cannon salutes — come from branches of the same family tree, serving in the Hong Kong hot seat before retiring to London or the family estate in Scotland. So Hong Kong gasped at the announcement that a 37-year-old American investment banker, with just 14 months' experience at Jardines, is set to become its next tai-pan.

Brian M. Powers is a 6-foot 2 former football player, sandy-haired with a hint of gray, who looks a bit too affable to be tai-pan. But he can rake the landscape with his speech: Ideas and quips and analyses fly through the air like shotgun pellets. And for years — ever since his first job at a New York law firm — he has set himself apart from others with his long workdays, even in offices where absurd hours were the norm.

Last fall, during negotiations on a Jardines sale of some of its American oil interests, he flew to San Francisco for the day to try to get a better price — a move that worked and that impressed the man who counts most at Jardines: Simon Keswick, the current tai-pan and a distant relative of William Jardine.

"People in Hong Kong think they work very hard," Mr. Keswick said in his office 48 floors above Hong Kong's bustling central district. "I think Brian has demonstrated that people in New York work even harder."

And so the 45-year-old Mr. Keswick (pronounced KEH-zick) announced earlier this month that he would relinquish his position of managing director of the Jardine companies to Mr. Powers. Mr. Keswick will remain as chairman, but, he says, he will spend more time outside Hong Kong than in it. He calls Mr. Powers the "heir-elect," and says he already regards Mr. Powers as tai-pan.

That may be a bit premature, so long as Mr. Keswick is still in town. But the expectation, within Jardines and without, is that moving vans will appear sometime over the next year or so at 35 Mount Kellett Road, the residence of the tai-pans, on the Peak on Hong Kong Island. Mr. Keswick, the whispers say, will retain the title of chairman from London, just as his uncle, Sir John Keswick, did two decades ago.

Mr. Powers will presumably inherit the keys to the Mount Kellett Road home, as well as to the tai-pan's second residence at Shek O, along the water. He apparently will also assume a seat on the board of the Hong Kong and Shanghai Banking Corporation and the coveted position as steward of the Royal Hong Kong Jockey Club.

But most of all, there is Jardines to command. As managing director, Mr. Powers will head up a network that sells cognac in Japan, operates the renowned Oriental Hotel in Bangkok; runs Pizza Huts in Hawaii and 7-Eleven stores in Malaysia; oversees ship management in the Pacific, construction in China and investment banking throughout Asia.

The empire — with 1986 revenues of $1.3 billion and after-tax profits of $61 million — employs 61,000 people in 22 countries and includes Jardine Matheson Holdings, Jardine Strategic Holdings and controlling interests in the Hongkong Land Company, Mandarin Oriental Hotel Group, and Dairy Farm International Holdings.

To this may be added some large American company. Mr. Powers says the group is looking for acquisitions in the United States and Britain, though he says this could be a single $2 billion deal or a string of $100 million purchases. Mr. Keswick says he would like a major American presence, and he adds that Mr. Powers might want to return to the United States in five years or so and run the American wing of Jardines.

The 37-year-old Mr. Powers is known as much for frank talk as financial wizardry.



At home in Hong Kong with wife Paula and son Jeremy.

Richard Tomkinks

But familiarity with the American market was not the reason for choosing Mr. Powers. Indeed, his nationality may even have worked against him a little, in the clubby world of British-run Hong Kong companies. His Yankee frankness has ruffled some feathers here, he acknowledged. "The business style is different," he said. "The Brits are much more civilized than Americans."

And though Mr. Powers has joined the Jockey Club and he and his wife have dutifully entertained at their home on the Peak, their presence in Hong Kong's social circuit is subdued. "I like Hong Kong," he said, "but I work very long hours and I'm very committed to my job."

But if Mr. Powers has not always displayed proper enthusiasm for drinking port, no one doubts his mastery of law and finance. Those skills seem to have been key to his meteoric rise, after arriving at Jardines in April 1986 as "chief strategist." The conglomerate was then in the process of slimming down — after some disastrous investments in real estate, shipping and oil.

Rivals for power within Jardines had their own credentials, but they could not compete with a financial alchemist at a time when the group was so absorbed by financial matters. Mr. Powers immediately set to work planning a restructuring of Jardines that included spinning off subsidiaries and creating a complex web of corporations that own each other. He also registered some more of the group's assets in Bermuda, in the belief that foreign-registered corporations might fare better when China takes over Hong Kong in 1997.

For Brian Powers, the road to becoming tai-pan began in Massapequa, L.I. The second-youngest of four children, and the son of a stockbroker, he devoted most of his energy in high school to football. He even turned down Yale initially to go to Holy Cross because of its more rigorous approach to athletics. He transferred to Yale after two years.

An economics major, Mr. Powers graduated with average grades and then went to the University of Virginia Law School, where he excelled. He graduated near the top of his class and, after a year as a teaching fellow at Stanford Law School, he became an associate in the New York law firm of Debevoise & Plimpton. He is remembered there as a hard worker and a quick study who was fortunate to specialize in mergers and acquisitions just as the wave of mergers was beginning in the United States.

After two years at Debevoise & Plimpton, Mr. Powers accepted a job as an attorney with the Ford Foundation. However, almost immediately he was put in charge of a large investment portfolio that included venture capital and real estate.

Mr. Powers was at the Ford Foundation when James D. Wolfensohn, an Australian-born financier, gave him a call. Mr. Wolfensohn was planning to set up a New York investment bank, and had heard about Mr. Powers from a Debevoise & Plimpton partner. So after four years at the foundation, Mr. Powers joined Mr. Wolfensohn, becoming his right-hand man at James D. Wolfensohn Inc.

Soon after the firm opened, a man named Simon Keswick called. He was in the New York office of the Coudert Brothers law firm, and wanted to know if Mr. Powers could come by that evening to help structure a deal. With characteristic bluntness, Mr. Powers asked the tai-pan: "This is a terrible question, but who are you?"

From that inauspicious beginning, a relationship grew between the two. Mr. Powers handled more and more Jardines business, including an extremely complex sale of sugar interests in Hawaii that included a leveraged buyout with commercial and government financing.

Indeed, it was one of the accomplishments that led Mr. Keswick at the end of 1985 to ask Mr. Powers if he would like to come to work for Jardines. Mr. Powers's initial response was that he was happy at Wolfensohn and that his wife, Paula, had a job in New York and was not mobile.

Mr. Keswick persisted, and Mr. Powers finally arrived in April of last year, with a seat on the board and a mandate to direct financial strategy. Paula Powers, who was teaching at Columbia Law School, was willing to move to Hong Kong, and both parents thought it was the ideal time for their son, Jeremy, to live abroad.

Mr. Keswick seems to have raised the possibility of succession with Mr. Powers when he was first hired, but both say that no commitment was made. There were a number of other candidates: David J. Davies, the head of the Hongkong Land Company until he resigned last year rather than see it dismantled; Martin G. Barrow, board member and head of a key subsidiary until he was promoted out of both positions earlier this year, and Nigel Rich, the current chief executive of Hongkong Land.

As the new tai-pan, Mr. Powers will face a number of challenges. Despite diversification, a large share of the company's assets remain in Hong Kong. The property market and business climate here are extremely sensitive, even though Beijing has promised that it will allow Hong Kong to maintain its capitalist way of life for at least 50 years after 1997.

The Economy

WEEK IN BUSINESS



The New York Times/Paul Hosefros

David Ruder, SEC nominee

A former law school dean is the White House choice to head the S.E.C. David S. Ruder has spent the last 10 years at Northwestern University. His distance from Wall Street and its current scandals was said to be one reason he was picked to head the agency that is leading a crackdown on insider trading. A key question is whether his prosecutorial zeal will match that of John S. R. Shad, under whose stewardship the S.E.C. brought down Ivan F. Boesky with a $100 million fine. Mr. Ruder will be nominated for a four-year term but it is expected that whoever succeeds President Reagan in 1989 would probably name a new S.E.C. chief.

Wall Street showed more bruises from the beating that the bond market took in April. First Boston said its trading losses would produce a net loss for the quarter. The firm would not talk numbers, but estimates put the losses at about $100 million. That was also the figure the Street was assigning to Salomon Brothers' April trading losses. Officially, Salomon would say only that the quarter had been difficult and that profits would not equal last year's period.

More banks added big sums to their loan-loss reserves for problem third world debts. Manufacturers Hanover set aside $1.7 billion; Bankers Trust, $700 million; National Westminster, $760 million; Marine Midland, $400 million, and American Express Bank, $600 million.

The first quarter's growth rate turned out better than previously thought. Revised data put it at 4.8 percent, up from an earlier estimate of 4.4 percent. The figures failed to cheer most economists. They said much of the gain came from overproduction, which means slack growth until inventories are trimmed. One important shift — the improving trade situation, spurred by the falling dollar, is now driving the economy as the consumer and housing sectors weaken.

G.N.P.
+4.8%
Annual rate 1st qtr.

Revlon is courting Gillette again, this time with an offer of at least $4.8 billion. A bid last year ended with Gillette buying out the Revlon stake while agreeing that if a higher offer from anyone else was subsequently accepted, Revlon would be paid the difference. Revlon now says that, to show its sincerity, it is willing to waive its rights to that potentially lucrative payout. Gillette's board remained unimpressed, and there was talk that Ralston Purina might enter the situation as a friend of Gillette's. The maker of razor blades and other personal products is considered an attractive addition to either Revlon's cosmetics business or Ralston's growing lines of consumer goods.

'Witching day' went smoothly for the stock market. The market had been fixated all week on Friday's initial experiment with new option-expiration procedures. The widespread expectations of volatility apparently led many traders to sidestep the situation and produced a relatively calm session. The Dow Jones industrial average reached new highs, finishing at a record 2420.54, up 42.81 for the week. In the bond market, rising prices were the rule most days, encouraged by the dollar's firmness.

The pullout from South Africa accelerated, with Citibank and Ford saying they would divest their interests. Citibank had long insisted that its presence there could bring social benefits to the racially segregated country. Bank officials said they still felt that way but that the decision had been forced by business considerations. The Citibank announcement seemed to cause genuine concern in South Africa, with the director of the American Chamber of Commerce there calling it "really bad news."

The Kohlberg of Kohlberg, Kravis, Roberts has withdrawn from active participation in the leveraged buyout firm. Jerome Kohlberg Jr., 61, admitting to philosophical differences with the other partners, said, "The time has come for the younger guys to run this place." The huge size of some of KKR's recent deals apparently disturbed Mr. Kohlberg, who said he and his son would form a venture to do deals in which "reason still prevails."

Greyhound Lines and Trailways would merge, under an $80 million buyout proposed by Greyhound. If regulators approve, the deal would mean the nation has only one national intercity bus line. Greyhound officials said the takeover was essential to prevent the collapse of Trailways, which has been losing money and abandoning many of its routes. Greyhound Lines is under the control of a private investment group based in Dallas, which bought the bus line from the Greyhound Corporation several months ago.

Martin T. Sosnoff dropped his $1.1 billion bid for Caesar's World in the face of courtroom setbacks and opposition from the casino company. Mr. Sosnoff, who said he had been "betting my fortune" on the deal, maintained that he could have prevailed with a higher bid. But he said it would have been a hollow victory because he had no assurance that management would stay with him, and without them "the high rollers will go elsewhere."

Miscellanea. Gannett's USA Today national newspaper announced that May was its first profitable month since it started in September 1982 ... G. Heileman Brewing will become the nation's fifth-largest bread company when it completes a deal to buy four bakeries from American Bakeries ... Futures prices of West Texas Intermediate crude oil closed above $20 a barrel for the first time in 17 months

IN QUOTES

"Sometimes people get bored in a stable market, and that's when you have problems. It's hard to outsmart the market all the time."

Peter T. Buchanan, First Boston's chief executive on recent trading losses.

An Unlikely Lab for Free Markets

By SHIRLEY CHRISTIAN

SANTIAGO, Chile

ON a continent known for protectionism and government control over the economy, Chile's controversial effort to create a market economy is finally showing signs of success after a drastic collapse in 1982 and 1983.

Despite the burdens of a repressive dictatorship that has made the country a pariah of the international community, rock-bottom prices for copper, its chief export, and a $20 billion foreign debt, Chile's economy should expand for the fourth consecutive year in 1987. Not surprisingly, the group of economists who have advised Chile's military Government since it overthrew President Salvador Allende in a bloody coup in 1973, is calling the turnaround a vindication of its free-market policies.

The economists, known as the Chicago Boys because so many of them were graduated by the University of Chicago, viewed its task as confronting not only the heritage of the Socialists and Communists of the Allende Government but also the old conservative farming and industrial elite, which had been accustomed to subsidies and protected markets.

Their policies, based on low tariffs on imports, drastic cuts in Government spending and bureaucracy and streamlining state-owned corporations with the idea of selling them to the public, have finally produced results. Still, some analysts question the merits of some of the free-market policies and wonder whether Chile's poor have actually shared in the economic revival.

The Chicago Boys can tick off a number of healthy economic trends to support their case. Chile's inflation-adjusted gross national product grew 5.7 percent last year and Wharton Econometrics predicts it will grow by 4.7 percent this year. Unemployment fell to 8.8 percent last year, down from 12 percent in 1985, and 21 percent 1982. Currently, about 4 percent of the labor force is enrolled in public works programs down from 8 percent during the 1982-83 recession.

But the country's single biggest success story is the expansion of exports. Once Chile's only significant export, copper now makes up less than half the value of all exports. Chile still produces and exports more copper than any other country but with copper prices depressed and other exports growing, copper is less important than in the past.

Most of the growth has come in fresh fruit and other farm and fisheries products. Exports totaled $4.2 billion last year, up about 10 percent from 1985, providing a trade surplus of $1.3 billion.

The Government predicts exports will grow to $7 billion in 1990, even though copper prices are not expected to improve significantly. Chile hopes to greatly expand exports of wood products from the south of the country, where trees grow more rapidly than most places in the world, with the possibility that wood products could rival copper in export importance by the end of the century.

Even Chile's manufacturing industries, which traditionally turned out products exclusively for domestic consumption, are beginning to become exporters. Jorge Frauenberg, manager of the Tecno Industrial Company, a maker of home appliances, said that his company had recently found markets for its refrigerators in smaller countries in the Western Hemisphere and Asia.

Because of the 1982-83 recession, which produced hundreds of bankruptcies and Government intervention in the banking system, the state still controls much more of the economy than it wants to control. But the trend is toward privatization or reprivatization.

One of the things the Chicago Boys learned along the way is that it is difficult to privatize big state-created corporations when there is no major foreign investor waiting to buy. Employee stock purchases and the investments of the private social security plans have become important in a number of these efforts.

Critics of Gen Augusto Pinochet Ugarte's regime find some things to praise in the re-ordered economy. Still they would like to introduce measures to cushion the country, and especially its poor, from the vagaries of global economics.

Andrés Zaldivar, a Christian Democrat who is viewed as a potential Presidential candidate in the uncertain future, said the figures show "that the economy is successful, compared to the rest of Latin America." He added that he did not think there would be "profound changes in the management of the economy regarding private enterprise or the market, no price controls and no resumption of bank nationalizations."

"But there are hidden problems," said Mr. Zaldivar, "that will come up as soon as a civilian government takes office. There will have to be a strong correction in social policy because any civilian government will face demands for better salaries, more jobs and housing."

Alejandro Foxley, a leading Christian Democratic economist, said he was "not a believer in naïve laissez-faire economics" but that the Christian Democrats, if they took office, would have "eclectic" policies and maintain a market orientation. He said that a too rigid approach to economics caused Chile's G.N.P. to decline more steeply in relation to other Latin American nations when commodities prices dropped at the beginning of the decade.

"Ask yourself what would have happened with Japanese imports into the United States if Congress had had to confront an unemployment rate of 30 percent," said Mr. Foxley. "That is what happened here and no one was listening."

José Piñera, Chile's labor minister from 1978 to 1981, argued that if the economic situation of the poor had worsened it could be attributed to the world commodities crisis, not to Chile's specific policies. There is some support for this view in a World Bank study of five Latin American countries, which concluded that Costa Rica and Chile had made the most effort to cushion the poor from the collapse of commodity prices.

While rejecting challenges to their economic wisdom, the economic brain trust that has served the Pinochet regime acknowledges there was a large contradiction in trying to implant economic liberalism under a military dictatorship.

Pablo Barahona, a Chicago graduate and former minister of economy, said the situation in 1973 had been "so chaotic, so radical, so extreme that I would say easily 80 percent of the people found it completely legitimate for the armed forces to take power, and completely legitimate that the armed forces put down the centers of resistance."

He said it was about 1977 before the economists began to realize they had philosophical differences with those who envisioned a "fascist" political structure. That became apparent, he said, when the economists began to suggest — and were rebuffed — that the Government should divest itself of its newspaper and television channel because Government ownership of the media was inconsistent with a market economy.

Sebastian Piñera, a banker and brother of the former labor minister, said he feared the political question would come to obscure the real economic accomplishments.

"The problem," he said, "is that free-market economics has come to be associated in the minds of many people with dictatorship."

The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED JUNE 19, 1987
(Consolidated)

Company	Sales	Last	Net Chng
AT&T	22,687,300	28⅞	+ 2⅛
Nuv Mu	20,839,200	10	...
Gillette	16,593,400	39¾	+ 5⅛
Pan Am	10,619,700	6¼	+ ½
Gen El	9,853,800	53¾	− ½
Sout Ind	8,176,200	66¾	+12½
IBM	7,912,100	161¾	+ 4¼
A Exp	6,711,000	35⅞	+ ⅛
E Kodk	6,451,200	88½	+ 5⅞
Cmw E	6,308,200	36¼	+ ⅛
Dayt Hd	6,182,800	56½	+ 2
Glaxon	5,642,600	27	− 1⅞
G Mot	5,556,300	63½	− ½
C T Espn	5,480,400	23⅞	+ 1⅛
USX	5,216,700	31⅞	+ ⅜

MARKET DIARY

	Last Week	Prev. Week
Advances	1,216	1,389
Declines	739	565
Total Issues	2,182	2,189
New Highs	217	165
New Lows	37	41

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	868,499,890	21,276,526,608
Same Per. 1986	626,009,901	16,113,676,991

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				
Indust	209.9	207.1	209.9	+3.43
Transp	153.6	151.1	153.3	+0.34
Utils	75.7	74.4	75.7	+1.38
Finance	156.6	155.8	156.2	+1.38
Composite	172.5	170.1	172.5	+2.68

Standard & Poor's

400 Indust	355.8	349.1	355.7	+6.67
20 Transp	252.5	247.7	251.6	+0.28
40 Utils	114.7	112.9	114.7	+1.77
40 Financial	30.5	30.0	30.3	+0.34
500 Stocks	306.9	301.6	305.9	+5.35

Dow Jones

30 Indust	2431.8	2374.3	2420.6	+43.12
20 Transp	1035.7	1012.0	1026.9	− 2.59
15 Utils	205.9	201.8	205.5	+ 1.78
65 Comb	912.6	892.8	908.5	− 9.86

The American Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED JUNE 19, 1987
(Consolidated)

Company	Sales	Last	Net Chng
HomeSh	7,051,500	19½	+ 5⅛
Wickes	7,029,900	4⅛	+ ⅛
Viacm pf	3,810,300	24⅞	+ ⅜
Gulf Cnd	3,361,200	21⅜	− ⅝
LorTel	1,378,000	17⅛	+ ⅛
WDigitl	1,133,100	27⅞	+ 1⅞
Kidde	1,121,800	4⅛	+ 2⅛
Hasbrs	1,115,600	25	+ 1⅝
NY Times	1,105,700	48½	+ 2½
WangB	1,052,800	16⅞	− ⅛

MARKET DIARY

	Last Week	Prev. Week
Advances	415	461
Declined	391	350
Unchanged	161	145
Total Issues	967	956
New Highs	72	44
New Lows	28	38

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	73,711,470	1,562,366,815
Same Per. 1986	66,244,950	1,502,579,484

מכון הון הלאומי

A rare balance

MUSIC REVIEWS

LE NOZZE DI FIGARO – a comic opera in four acts by Mozart, conducted by Daniel Barenboim and directed and designed by Jean-Pierre Ponnelle and presented by the Israel Philharmonic Orchestra (Mann Auditorium, Tel Aviv, June 18). Figaro – Ferruccio Furlanetto, bass; Susanna – Joan Rodgers, soprano; Doctor Bartolo – Arthur Korn, bass; Marcellina-Katherine Ciesinski, mezzo-soprano; Cherubino – Marianne Roerholm, mezzo-soprano; Count Almaviva – Wakon Groenroos, baritone; Don Basilio – Jerold Siena, tenor; Countess Almaviva – Karen Huffstodt, soprano; Antonio – Federico Davia, bass; Don Curzio – Saul Becker, tenor; Barbarina – Ruth Tavor, soprano; the Cameran Singers directed by Avner Itai.

THE GREAT success of *Figaro* was the combined result of Ponnelle's highly original and clever direction, Barenboim's profound understanding of Mozart and the truly astonishing ability of the cast to adapt itself to the conditions of the stage, as one coherent group.

Though the orchestra was seated on the stage, the elevated platform behind the orchestra created the illusion of its being in the pit. But Ponnelle also left a broad opening leading from the platform to a wide region around the conductor and the flanks of stage, allowing the singer-actors to move in all directions, to emerge from all corners and exploit the depth of the stage.

Movement, indeed, never ceased for a moment. The members of the cast seemed to be everywhere all the time. The acting was superb, on a par with the excellence of the music. The Ponnelle-Barenboim team established a rare balance between the music and the theatrical components of the opera. The proceedings all seemed natural and completely devoid of artificiality. *Figaro* turned into scenes taken from life.

AS FAR as the musical side went, one can hardly find the right superlatives. Not only did the orchestra play splendidly, it participated in the play. Under Barenboim's baton the orchestra became a member of the cast. His tempi, his dynamic nuances, the depth of meaning with which he instilled each phrase, the constant change of expression were all nothing less than stunning. The orchestra related the story no less than the singers.

Though there were no truly great singers, all were first class. Their uniformly high level of accomplishment made a vital contribution to the unity of the production. What we experienced was a profoundly authentic Mozart – Mozart the genius who by the close of the 18th century had elevated opera to the height of beauty and gave us astonishing insights into human nature.



First-class singers – Marianne Roesholm and Karen Huffstodt in 'Le Nozzi di Figaro.' (Eytan Muller)

DON GIOVANNI, a comic opera in two acts by Mozart conducted by Daniel Barenboim, directed and designed by Jean-Pierre Ponnelle and presented by the Israel Philharmonic Orchestra (Mann Auditorium, Tel Aviv, June 20). Leporello – Laszlo Polgar, bass; Donna Anna – Karen Huffstodt, soprano; Don Giovanni – Ferrucio Furlanetto, bass; Don Pedro, the Commendatore – Artur Korn, bass; Don Ottavio – David Britton, tenor; Donna Elvira – Karita Mattila, soprano; Zerlina – Georgina Resick, mezzo-soprano; Masetto – Jan Opalach, bass; the Cameran Singers directed by Avner Itai.

ONE OF THE greatest operatic productions ever seen in Israel, the effect of Barenboim's and Ponnelle's *Don Giovanni* was not only overwhelming – it was novel, heralding perhaps a new concept in opera production.

As in *Figaro* the orchestra was seated on stage, fully participating in the proceedings and ably conveying Mozart's innermost intentions. The balance between orchestras and singers perfected the orchestra and proved an active partner in the development of the drama, reaching in the last scene, set in Don Giovanni's palace, frightening musical dimensions.

What Barenboim and Ponnelle aimed at was not opera in the traditional sense. Instead, they created a theatrical performance in which music and drama blended from beginning to end. The various numbers – recitatives, arias, duets etc. – flowed into each other, creating total coherence and a tension that steadily built up to the finale, Don Giovanni's terrible supernatural end.

As in *Figaro*, Ponnelle used the whole stage, providing action in front of the orchestra, around the conductor and on the elevated stage behind the orchestra. There was even action on a fourth level, behind the elevated stage, where love scenes were discreetly enacted behind a screen and where the towering figure of the commendatore finally appeared.

There were no stage props, the acting so convincing and natural that no concrete aids were needed.

The acting matched the excellence of the musical performance, creating a sense of total unity. Furthermore, any risk of operatic artificiality seemed to be avoided.

With the possible exception of Don Ottavio, sung by tenor David Britton whose voice seemed slightly too weak, the singers provided great joy and satisfaction. All of them, including the outstanding Donna Anna sung by Karen Huffstodt, submitted themselves to the sole purpose of creating a comprehensive and unified production. With this production Mozart seem to have undergone an almost revolutionary transformation.

BENJAMIN BAR-AM

TECHNION SYMPHONY ORCHESTRA & CHOIR. GALA CONCERT. Dalia Atlas, conducting. Haim Finkel, english horn; Sarit Lipshitz, flute; Efra Lavri, harp; Yuval Kahana, trumpet and Yoram Chaiter bass baritone. Haifa, Churchill Auditorium Kiryat Hatechnion, June 16. Sibelius: "The Swan of Tuonela," Op.22; Mozart: Concerto for Flute and Harp; Kaminski: Concertino for Trumpet and Orchestra; Puccini: Excerpts from "Gloria" for Baritone, Choir and Orchestra.

THIS FESTIVE concert marked 24 years of activity of the Technion Choir and Symphony Orchestra. Initiated by Dalia Atlas, the orchestra members includ.de students and teachers, both amateurs and professionals. Except for the harpist, Efrat Lavry-Zakland, all the soloists are Technion musicians.

The varied programme began with the rather demanding Sibelius. "The Swan of Tuonela" is the second of the four cycles of legends inspired by the exploits of Liminkainen, the Achilles of Finnish mythology.

Efrat Lavry and Sarit Lipshitz performed well in the Mozart concerto, played at faster-than-usual tempi. The presentation, lively and full of charm, scored success with the audience.

Another student, Yuval Kahana, gave a mostly clean rendering of a movement from the Kaminski concertino, which displayed his technical and musical ability.

Dalia Atlas achieved rapport with the participants who performed with zeal and zest. Chaiter performed pleasantly, occasionally overshadowed by the accompaniment.

ESTHER REUTER

SOCCER

IFA to decide on Ohana's future in Europe

Post Sports Staff

Eli Ohana has suddenly found himself between a rock and a hard place, with his dream of playing European football hanging in the balance.

The Betar Jerusalem striker, who has signed with Belgian club Malines for next year, awaits a decision on his future from the Israel Football Association, which is meeting today in special session.

The IFA, which has the power to nullify a contract between a player in the Israel national team and a foreign club, is insisting that Ohana join the Israel Olympic squad for their five-week trip to Oceania next February and March.

Malines, for their part, are adamant that Ohana remain in Belgium during a part of the season in which the Belgian cup-holders have many critical league games. If the IFA demands that Ohana be available for the whole of the Oceania tour, Malines say they are prepared to do without him completely.

"This is no way to behave if you (Israel) want to be accepted into Europe," Malines managing director Paul Hornhart was quoted as saying yesterday. "If the matter isn't resolved by Monday (today), then we will have to look for another striker. This is a real scandal and we will go all the way to Fifa if necessary," he said.

"I am very honoured to represent my country," Ohana said last night. But, he added "I believe they (the IFA) shouldn't block my future in Europe."



Eli Ohana

Fifa regulations say that if a player's national association wants him to play for his country, then he must be released by his club between 24 and 48 hours before the game.

"Malines certainly won't agree to release me for a whole month at such a critical time," Ohana continued, "and I hope the IFA will resolve the issue in their meeting. I don't want to think what will happen if the IFA stands firm.

"I know that it might not be the most convenient of arrangements, but I am prepared to travel to Israel's matches even if it means going all the way across the globe.

"It is unheard of anywhere in the world that a player forfeit his professional future to play for his national team for a month. I hope the IFA will be reasonable and allow me to pack my bags for Belgium."

Betar Jerusalem boss Reuven (Ruby) Rivlin said on the eve of the IFA meeting that if the association disallows the contract with Malines to go ahead, the Jerusalem club wants compensation.

SCOREBOARD

SOCCER: Hamburg won the West German cup for the third time in their history when they overcame Second Division Stuttgart Kickers 3-1.

England midfielder Glenn Hoddle has signed a two-year contract with French First Division club Monaco. Hoddle, 30, who has spent all his previous playing career with Tottenham Hotspur will team up with fellow-England international Mark Hateley, who has moved from AC Milan.

ATHLETICS: Canada's Ben Johnson easily outstripped all competition to win the men's 100 metres in an impressive 10.07 seconds in Athens.

Two-week Wimbledon fiesta gets under way today

Strawberries, champagne...& tennis

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. – For two weeks every summer, Southfields, an otherwise obscure south-west London underground station, takes on an entirely new aura.

Southfields is the nearest station to the All England Club, where, over the next fortnight, tens of thousands of people will devour 126,000 ice creams, 18 tons of strawberries, 75,000 pints of beer and 12,000 bottles of champagne. Oh, and they'll watch a great deal of tennis too.

The 101st Wimbledon Lawn Tennis Championships get under way at 2 p.m. today, providing, of course, that it is not raining.

At the appointed hour, ginger-haired West German Boris Becker will open proceedings on the hallowed Centre Court turf, at the start of a fortnight's quest for the winner's cheque of £155,000.

This year's tournament carries a record £2.47m. in total prize money, but for the millionaire players at the top of the international tennis tree, the figures on the cheques are of minor importance.

Wimbledon is all about prestige. It is the tournament all the players want to win, whatever Spencer Gore might have said 101 years ago. Gore was the first-ever Wimbledon men's singles champion, a keen cricketer for whom tennis was something of a sideline.

Having disposed of the unfortunate William Marshall in an extremely one-sided final, Gore shocked the tennis authorities by describing the game as "monotonous," revealing that, for him at least, cricket was by far the more enthralling sport.

Becker, one imagines, would take issue with that, and so would many of the thousands of hopeful spectators who mass outside the gates from dawn every day of the championships, seeking a coveted standing-room place for one of the show courts.

Of the world's finest current crop of players, only John McEnroe will be absent, officially injured, unofficially burnt out.

Becker, by contrast, is raring to go, and few would bet against him winning his third consecutive Wimbledon. In taking last week's Stella Artois tournament, the number one seed showed himself in superb form, all the more notable given number two seed Ivan Lendl's early exit from the Edinburgh tournament he had chosen for his pre-Wimbledon warm-up.

Becker's all-round game, but particularly his 150mph serve, blew Lendl off the court in last year's final, and most experts believe that the Czech beanpole will fare no better, should he get as far as the final this time.

Martina Navratilova's slump continues. In the final of the women's tournament at Eastbourne she seemed to be in complete control against Helena Sukova when she rushed to a 5-0 lead in the opening set. But the 22-year-old Czech battled back with some exciting shots and then won the tie break at 7-5 when Navratilova double faulted (just as she had done to lose the French Open).

Sukova continued her exhilarating performance to round off the match with a 6-2 score in the second set. Navratilova has still not won a tournament this year.

Looking lower down the rankings, there are some more serious challenges to the Becker hegemony. Third-seed Mats Wilander is still woefully inconsistent, but fourth-seed Stefan Edberg, another Swede, could be the real lurking threat. Yannik Noah, the Frenchman who is seeded six, injured himself slightly while playing last week, and is not fully fit, while countryman Henri Leconte is another player whose inconsistency makes him suspect over a tournament as lengthy as this one.

Ever-green Jimmy Connors, now seeded a lowly seventh, has the experience and temperament to threaten Becker. The 35-year-old St. Louis left-hander still has all his enthusiasm, and he stretched Becker to the limit in last week's Stella Artois final.

Israel will have two young and hungry players seeking, if not the title, at least a very good run. Both Amos Mansdorf and Gilad Bloom have an extra objective in doing well on grass, for only a month later grass will again be the surface for the Davis Cup quarter-final tie in New Delhi.

The chances of advancing to the last 16 are not helped by a draw that schedules Mansdorf and Bloom to play each other if they should both manage to reach the third round.

Before that they have to win two matches apiece. Mansdorf should have little trouble in his opening game today against unrated Briton Nick Fulwood, and he must fancy his chances against Leconte in the second round, since he beat the French ninth seed at Wembley earlier this year. Leconte played inconsistently in the quarter-finals at Bristol, where he lost 7-6, 6-7, 7-5 to Michiel Schapers of Holland.

Bloom also looks to have a good chance in his first two scheduled matches, against Germany's Patrick Kuhnen, and then either Vojtisek (Czech) or Laurendeau (Can.).

If Becker's chances look good in the men's singles, the winner, for a change, is far harder to pick on the women's side.

The days of the Navratilova-Evert dynasty seem numbered with the emergence in the past 12 months of the young West German, Steffi Graf, who has won all five of her tournaments in the first five months of this year.

While defending champion Navratilova is still top seed for the tournament, Graf has displaced Evert in second place, and will be seeking to make this year an all-German singles success with Becker.

Fourth seed Hana Mandlikova has also been playing well this year, as has Gabriela Sabatini, the seventh-seeded Argentinian 17-year-old, whose elegance has captured the hearts of even the post-Falklands Brits.

Last year's Wimbledon, the centenary event, was a scorcher by any standards. The weather was fine, the crowds massive, and the tennis superb.

The All England Club announced a record £6m. profit, and the pundits all doubted whether that total could be bettered.

But Wimbledon breaks records every year. Somehow, whatever the size of the crowds, the grounds seem to swell to hold them all, and this year will surely be no different.

Wimbledon, whatever Spencer Gore, its first champion, might have said about it, remains one of the highlights of the world's sporting calendar.

Amos, Gilad through to doubles

BY JACK LEON

Amos Mansdorf and Gilad Bloom went through to the main draw of the Wimbledon doubles competition after winning their third match in the qualifying round 7-6, 4-6, 7-5 over Australians Smith and Meek.

Shlomo Glickstein, who lost in both singles and doubles qualifiers, will be absent from Wimbledon for the first time in eight years unless he squeezes into the main singles draw as a "lucky loser" (as Shahar Perkis did in 1984).

India's Davis Cup captain Vijay Amritraj, meanwhile is the only non-British male player given a special "wild card" entry to Wimbledon. The invitation attests to grass-court specialist Amritraj's standing as one of the game's most elegant stroke-makers and best entertainers. It will be the 33-year-old Indian's 16th appearance at Wimbledon, where he has twice reached the singles quarter-finals.

Watson leads unknown

SAN FRANCISCO (AFP). – Tom Watson held on to a one stroke lead going into the final round of the U.S. Open here, but hero of the third round's play was a comparative unknown, 28-year-old Keith Clearwater, who fired a course record-equalling 64.

Watson sank an 18 foot putt on the last hole for a birdy three to keep the lead, carding a 71 for a three round total of 208. "A pretty nice end to a round," he said after walking off the green.

Clearwater and Hawaiian Scott Simpson were both on 209, with Lennie Clements on 210 and six players, including Spain's Seve Ballesteros and West Germany's Bernhard Langer on 211.

Hard luck story of the day was Japan's Tommy Nakajima who stood on the 18th tee needing a four to make him equal par for the tournament. But he hit his second approach shot into a tree and lost his ball, eventually taking six shots to hole out. He is now on 212.

Clearwater, tied the competitive course record set by Rives McBee in the 1966 Open here, just 24 hours after biting his nails as he waited to see if he would make the cut out for the final 36 holes after rounds of 74 and 71.

Playing in his first professional open, Clearwater, of Utah, carded six birdies Saturday and said afterwards he was "feeling great. Wonderful."

He said if it had not been for his wife Sue he would not have been at the Open. She "kicked me out of bed" to take part in the qualifying rounds at Fort Worth, Texas.

Jack Nicklaus wound up the day six strokes off the lead after a 76 sent him crashing to a 214, while Australian Greg Norman found himself seven back after a third round 74.

LEADERS

208 Tom Watson 72, 65, 71.
209 Keith Clearwater 74, 71, 64; Scott Simpson 71, 68, 70
210 Lennie Clements 70, 70, 70
211 John Mahaffey 72, 72, 67; Severiano Ballesteros 68, 75, 68; Ben Crenshaw 67 72, 72; Larry Mize 71, 68, 72; Jim Thorpe 70, 68, 73; Bernhard Langer 69, 69, 73.

BASEBALL

In search for scuffed balls, time is on Mike Scott's side

NEW YORK (AP). – Mike Scott doesn't care if opposing batters have the ball checked all day. In baseball, time is on his side.

Scott allowed three hits while extending his winning streak to four games, and Kevin Bass hit a two-run homer in the sixth to help the Houston Astros to a 3-2 victory over the Los Angeles Dodgers on Saturday.

Scott, 9-3, had nine strikeouts, giving him a major-league leading 125. After yielding a run-scoring single to Mike Marshall in the fourth, Scott retired the next 12 batters. Scott walked pinch-hitter Ken Landreaux with two out in the eighth, breaking a string of 25⅓ innings without a walk.

Scott also endured another afternoon of having opposing hitters checking for scuffed baseballs.

"Let them check them as much as they want to," Scott said. "I don't know why they do it and I don't care. The only thing it does is lengthen games."

Home plate umpire Dana Demuth found no scuffed baseballs.

Elsewhere in the National League, it was Pittsburgh 8, Chicago 2; New York 3, Philadelphia 2; Atlanta 8, Cincinnati 6; Montreal 7, St. Louis 5; and San Diego 10, San Francisco 4.

In the American League on Saturday, it was Boston 9, New York 3; Cleveland 9, Seattle 2; Milwaukee 3, Toronto 2; Kansas City 8, California 4; Chicago 10, Minnesota 5; Texas 7, Oakland 6; and the Detroit at Baltimore game was suspended in accordance with American League curfew rules which state that an inning cannot start after 1 a.m. local time. The game was suspended after eight innings, with Baltimore leading 9-4.

AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Toronto	41	25	.621	—
New York	42	26	.618	—
Detroit	35	28	.556	4½
Milwaukee	35	29	.547	5
Boston	30	37	.448	11
Baltimore	28	39	.418	13½
Cleveland	25	41	.379	16

WEST DIVISION

	W	L	Pct.	GB
Minnesota	38	29	.567	–
Oakland	34	31	.523	3
Kansas City	35	30	.538	2
Seattle	34	33	.507	4
Texas	29	34	.460	7
California	30	38	.441	8½
Chicago	24	40	.375	12½

NATIONAL LEAGUE EAST

	W	L	Pct.	GB
St. Louis	40	25	.615	–
Chicago	36	31	.537	5
Montreal	36	30	.545	4½
New York	35	31	.530	5½
Pittsburgh	30	35	.462	10
Philadelphia	29	35	.453	10½

WEST DIVISION

	W	L	Pct.	GB
Cincinnati	37	31	.544	–
Houston	36	31	.537	½
San Francisco	34	33	.507	2½
Atlanta	34	33	.507	2½
Los Angeles	30	37	.448	6½
San Diego	22	47	.319	15½

TABLE TENNIS: Second-seeded Michael Appelgren of Sweden defeated countryman Erik Lindh in five games to take the men's open singles title at the U.S. Open. Applegren won Lindh 21-16, 21-16, 22-24, 21-17. Top-seeded Young-Ja Yang of South Korea defeated second-seeded Mi Jung Kim of South Korea, 21-12, 22-20, 21-17.

Double identity

RANDOMALIA Miriam Arad

BAGHDAD APPEARS in the press with great regularity, mostly in connection with the Iran-Iraq war. The other day my glance fell on the word "Baghdad" in the paper and, I don't know why, all of a sudden it evoked - not war, not the capital of an enemy country – but the fairy-tale city of *Thousand and One Nights*, with its wicked viziers and clever beggars, its thieves and merchants and princes, and a benevolent Haroun al-Rashid wandering about incognito to ensure all was well in the land. No such Baghdad exists, nor ever has, but it dwells vividly in the minds of countless children and adults who have no idea what the real Baghdad is like.

In the same way, a fairy-tale Jerusalem exists for people all over the world, for it has this same double identity. It is, in effect, two cities: the one we know, a place like any other, with hulking garbage bins on its pavements, traffic congestion on its roads, a slum in its midst and housing estates on its outer periphery. The other city reverberates with religion and history: prophets tread its pavements, kings and redeemers its roads, glory reigns in its midst and trumpet-blowing angels encompass it.

The great and famous have twin identities in much the same way. Royal personages, celebrated artists, pop stars, world leaders – they all have an aura of one kind or another, and none appears to us quite human. It's a pleasant exercise, therefore, to try and imagine one of these glamorous creatures pulling off her stockings and scratching her shins, for instance, having a fit of the hiccups, picking her nose, perish the thought, or just sneezing and groping frantically for a hanky. It's a good antidote to personality cults. Sharon worshippers, take note.

Some words and objects have this duality as well. Say "cowboy" to an American and his eyes start to shine, which is how Hollywood and the cigarette manufacturers make their living. And what is it, after all? A boy herding cows. And what is a diamond when it's at home? A piece of crystallized carbon. Caviar? A lump of fish eggs. A star? A whirling ball of gas. A million dollars? No, that's a lot of money however you look at it.

You may well conclude that we live in a wholly imaginary world. And so we do – beginning with our own bodies. We fancy they are what they look like in the mirror, and conveniently ignore the skeleton and grinning death's head we carry inside us, not to mention all sorts of bloody and fatty stuff which we shudder to behold in the butcher's shop. It's a good thing we ignore them, too. Life is that much more livable if we can have our celestial cities, beautiful princesses, noble cowboys, and nice coverings of pink skin.

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★ Ms. Masha Lubelsky, General Secretary Naamat.
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Allegation in Rubinstein case

Family feud became family fraud

By PINHAS LANDAU
Post Finance Reporter

The Rubinstein Contracting Co. trial, which opened in the Tel Aviv District Court last Thursday, takes Israeli securities law into uncharted territory. The case itself is remarkably complex, while many of its legal aspects are unprecedented.

The main charge against Avraham Rubinstein and a group of shareholders allied to him is that they misled the investing public when they issued in 1984 a prospectus offering shares in Rubinstein Contracting. Also named in the charge sheet, other than Rubinstein and the company itself, are his son Yoav, Tel Aviv financier Yossi Rieger and contractor Avraham Piltz.

They are all accused of conspiring to win control of the company by buying up shares that had supposedly been issued to the public, after promising in the issuing prospectus that they would not purchase the shares themselves.

In addition, Leumi and Co., the underwriting subsidiary of Bank Leumi, is accused of signing, and thereby giving legitimacy, to the share prospectus, despite its allegedly knowing what the Rubinstein group had in mind.

As a result, Leumi and Co. and two of its former senior executives – Eliahu Sharvit, now managing director of the Jewish Agency-owned Israel Land Development Corp., and Yair Pudim, who has since become managing director of the Clal Group's underwriting company, Clal Manpikim – are among the six defendants charged with "fraudulent receipt of an item." The item in question is the right to register a company on the Tel Aviv Stock Exchange, which carries with it significant tax advantages for shareholders.

The other defendants on this charge are Rubinstein Contracting, and Avraham and Yoav Rubinstein.

The charge sheet claims that the initial public offering of shares in Rubinstein Contracting, which took place in June 1984 under the guidance of Leumi and Co., was in fact a fraud. The company was then under joint control of the two senior Rubinstein family members, Aharon (today over 80) and Avraham (71). Aharon and his children – one of whom is former communications minister Amnon Rubinstein, whose shares were held by his wife Roni – held 75 per cent of the company's equity, with the remainder in the hands of Avraham and his family.

It is alleged that Avraham, assisted by Rieger and Piltz, arranged to have the shares sold to the public bought up by people representing him. In doing so, a number of securities law violations were made, since the registration of a share on the exchange is conditional on "reasonable" distribution of the company's shares among the public and this is defined to mean at least 100 shareholders. The plan to buy back all the shares into the family's control subverted this rule, according to the district attorney, and made the issue fraudulent.

The prosecution aims to prove that Leumi and Co. knew of the group's intentions and was therefore party to the fraud, while Rieger and Piltz were instrumental in executing the fraud and were co-conspirators.

> Beyond the family feuding, the aspect of the case that is likely to receive the most attention is the role of Leumi and Co. and others were aware of the takeover plot allegedly being hatched by Avraham Rubinstein.

The aim of Avraham and Yoav Rubinstein was, according to the allegations, to wrest control of the company from Aharon and his relations, apparently against the background of increasing tensions between the two wings of the family. One of the main elements in their preparation was arranging to receive a loan of $1.5 million from Bank Leumi. The formal purpose of the loan was to reschedule short-term debts, but the real purpose, it is claimed, was to finance the repurchase of the shares that were being issued to the public.

In the period following the share issue, the plan was executed, and over 90 per cent of the shares issued under the prospectus were bought in by the Avraham Rubinstein group, including Rieger and Piltz. In addition, one of Aharon's sons, Motti, sold a large block of his shares to his uncle, Avraham, thereby helping the latter gain control from Motti's father, Aharon.

Among the witnesses that the prosecution intends calling, in the course of what is likely to be a protracted legal battle, are Aharon Rubinstein, his son Amnon, and officials from the Securities Authority and the Tel Aviv Stock Exchange, including TASE managing director Yossi Nitzani.

It was the TASE that collected the information that set the investigation in motion. The exchange management found that the liquidity of Rubinstein Contracting's shares dried up shortly after the issue, and that the great bulk of the shares were soon concentrated among the feuding family members.

Efforts at easing the liquidity shortage by obtaining shares from the family came to nought, since neither wing was prepared to reduce its holding as the struggle between them intensified. Eventually, the exchange stopped trading in the shares, while the family effectively split the company into two. Since the corporate entity was now quite a different one to that floated less than a year earlier, the TASE threatened to delist the company. Even this brought no response from the family, thus the exchange went ahead and also insisted that the major shareholders make a tender offer to purchase from the public the few shares still freely available – by that time only about 1 per cent of the total.

From then on, the TASE passed on its findings from its own investigation to the Securities Authority and continued cooperating with the authority's staff as they proceeded with their own investigation. Former authority chairman Eliezer Shiloni, who stepped down earlier this year, vowed that he would pursue the investigation to the end, a tenacity which is credited as being the driving force behind the charge sheet that emerged in public last week.

However, beyond the family feuding, the aspect of the case that is likely to receive most attention is the role of Leumi and Co. and the allied question of whether senior executives at the unit's parent, Bank Leumi, were aware of the alleged takeover plot being hatched by Avraham Rubinstein. In this connection, the $1.5m. loan may be the crucial factor, about which bank officials are likely to be asked by the court to explain.

Outsiders familiar with the Leumi structure told *The Jerusalem Post* that, especially at that time, Leumi and Co. was only a division of the bank with little or no independent authority. The real decisions, they claimed, were made at the head office. If the top people at Leumi and Co. can be proven by the prosecution to have known of the fraud being perpetrated through the prospectus, it may well be that their superiors in the bank also knew.

In 1984, in the aftermath of the bank-share collapse, the stock market was in a deep depression and few companies dared to come to market with new issues. Leumi and Co. took the initiative in bringing to market a series of companies during that summer, but most of them came to grief.

In addition to the Rubinstein flotation, Leumi and Co. underwrote an offering by the Jerusalem contractor L. Prinz, whose prospectus committed the company to repurchasing the shares offered at their dollar price, when issued, one year after the issue.

Within that year, Prinz's firm collapsed and Prinz himself left the country, not to return since. Leumi and Co. was forced to exercise its guarantee as given in the prospectus, although this was not done without a legal battle.

The Leumi unit has had a troubled history since its founding, and has never looked like achieving the status it sought – of Israel's premier investment banking outfit. After Sharvit left, the bank persuaded a former employee, Israel Vigarzin, to take over and try to restore morale and direction. Although it has become a major underwriter, by dint of handling most of Bank Leumi's underwriting in the bond market, Leumi and Co. has been beset by a series of resignations, with the unofficial word being that frustration at the unit's lack of independence was the factor behind the exodus.

More on Rubinstein appears on page 7

New serenity on Wall Street

By RICHARD SATRAN

NEW YORK (Reuter). – The stock market hit records on three days last week, and even the much-feared "triple-witching" hour could not upset the confident mood that analysts say will carry it to more peaks in the weeks ahead.

Breezing through the triple witching hour on Friday, the Dow Jones Industrial Average closed 12.72 points higher at an all-time high of 2420.85.

"The mood now is one of serenity and hopeful prospects," says Monte Gordon, of Dreyfus Corp. "As long as the perception remains that we won't have higher inflation and interest rates, the market will go higher. The key is the [strength of] the dollar."

The witching hour is the simultaneous expiration of stock index futures, index options and stock options. Because many stocks are involved in trading strategies using futures and options, a flood of trades and big price fluctuations often rock the market on the expiration day.

The lack of drama at last week's witching hour allowed investors to concentrate on the strong fundamentals that have been carrying the market – a drop in interest rates and the steadying of the dollar in recent weeks.

The benchmark 30-year bond yield has fallen to 8.49 per cent from a high of over 9 per cent last month. It was unchanged on Friday. The dollar, after finding support at the 140-yen level late last month, moved to the 145-yen level last week. It was up a fraction of a yen to 144.75 Friday from the day before (see Currency Markets below).

> The lack of drama at last week's witching hour allowed investors to concentrate on the strong fundamentals that have been carrying the market.

The market has advanced in nine of the past 10 sessions, in a win streak marred only by an unchanged close Wednesday. For the week the Dow average rose 43.12.

"This is a very significant bull market," says Laszlo Birinyi, a Salomon Brothers analyst. To take the pulse every three hours is just not fruitful. To analyze each dip and fluctuation just deters attention from the fact we're in a bull market.

"A lot of the same factors that have been helping the market all along are still in place," says Birinyi. "It's still strong and assertive and it's going to go higher."

The market's period of calm follows a turbulent April and May, when stock prices fell steeply. The 30-stock index rose 200 points from the low last month as investors shrugged off their deepest fears over a freefall in the dollar and runaway interest rates.

"The market is being aided by diminished fears – over inflation, interest rates, the dollar and monetary policy," says Gordon. But he warns that the rally would end if, as he expects, the dollar begins to slide again later in the summer.

For now, the market's shrugging off of the once-dreaded triple witching hour was just another sign that Wall Street has rediscovered its nerve after the spring setbacks, he says.

"There's been no problem at all. It's quieter than normal" in the midst of the expirations, says Hildegard Zagorksi of Prudential Buche Securities.

CURRENCY MARKETS

Dull week for the dollar

The dollar closed higher in quiet Friday trading, capping a week during which the currency moved within very narrow trading ranges. For a change, there were no major economic or political developments to give it a fresh direction.

The positive trade and inflation data that were released on the previous Friday continued to support a follow-through buying at the beginning of the week. But the buying power was not strong enough to sustain a dollar rally, and the currency failed to breach the 146-yen and 1.84 Deutschmark levels. The U.S. currency retreated but found firm support around the 1.82 mark level.

U.S. economic data this week were generally in line with market expectations and had little effect. May industrial production was up 0.5 per cent, while housing starts fell 2.7%. First quarter GNP was revised upwards to show a 4.8 % annual growth rate against a previous report of 4.4%.

The pound sterling exhibited weakness, which was attributed to liquidation of long positions taken ahead of British elections.

The dollar has reached levels of technical resistance where it could stabilize and possibly drop again. It is important to remember that although we witnessed volatile movements to both sides or periods of consolidation, the major trend remains down for the U.S. currency. Nevertheless, any additional strength of the dollar this week might well change that major trend, which started in March 1985.

Closings above 1.86 marks for a day or two might well trigger a wave of dollar-buying, which by itself would change the course of the major trend. It is, therefore, recommended to trade with the major trend, but to be on alert for a possible change in this if the dollar advances from here.

The column appears courtesy of Boaz Barak Advisory Service.

COMPANY RESULTS

Building Resources Ltd.
Civil engineering

Year to Dec. 31	1986	1985
Revenue	NIS 3.43m.	4.57m.
Net income	(5.77m.)	(4.69m.)

Quality Computers Ltd.
Software

Year to Dec. 31	1986	1985
Revenue	NIS 5.77m	8.59m.
Net income	139,000	243,000

Cassaria Lands Resort Ltd.
Development

Year to Dec. 31	1986	1985
Net income	NIS (3.29m.)	(2.17m.)
Per share	(15.76)	(10.04)

Lumir Holdings Ltd.*
Construction investments

9 months to Dec. 31	1986	1985**
Net income	NIS (1.16m.)	2.85m.
Per share	(5.41)	(13.31)

* Consolidated
** Compared with year to March 31, 1986.

HIGH-TECH. – Motorola has invested $3.5m. in a new plant in Arad which will produce sophisticated equipment for the manufacture of communications systems and printed circuits.

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Ramot Elion, Ramot commercial centre, 861071; Balsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dar Aldawa, Herod's Gate, 282068.
Tel Aviv: Lev Ha'ir, 69 Ahad Ha'am, 613862; Kupat Holim Clalit, 7 Amsterdam, 225142.
Ra'anana-Kfar Sava: Hadar, Habanim, Hod Hasharon.
Netanya: Kupat Holim Meuhadet, 13 Harav Kook, 344655.
Krayot Haifa: No details available.
Haifa: Yavne, 7 Ibn Sina, 672288.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Kerem (internal, surgery, orthopedics, E.N.T.), Misgav Ladach (obstetrics), Shaare Zedek (ophthalmology).
Tel Aviv: Rokah (pediatrics, internal, surgery).
Netanya: Laniado

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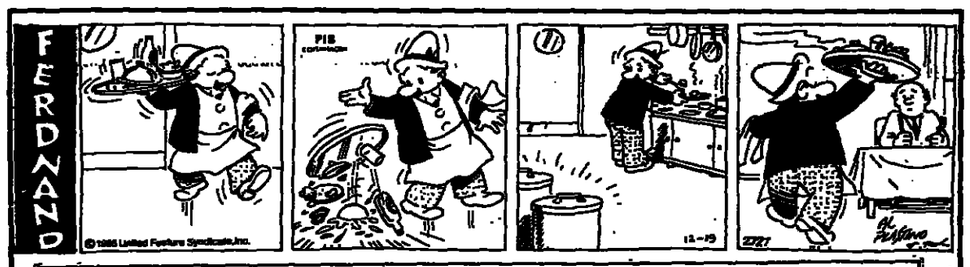
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Carmiel *988555	Netanya *23333
Dan Region *781111	Petah Tikva *9231111
Eilat 72333	Rehovot *451333
Hadera 322333	Rishon LeZion 942333
Haifa *512233	Safad 30333
Hatzor 936333	Tel Aviv *5460111
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The National Poison Control Centre at Rambam Hospital, phone (04) 529205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433300, 433600 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.



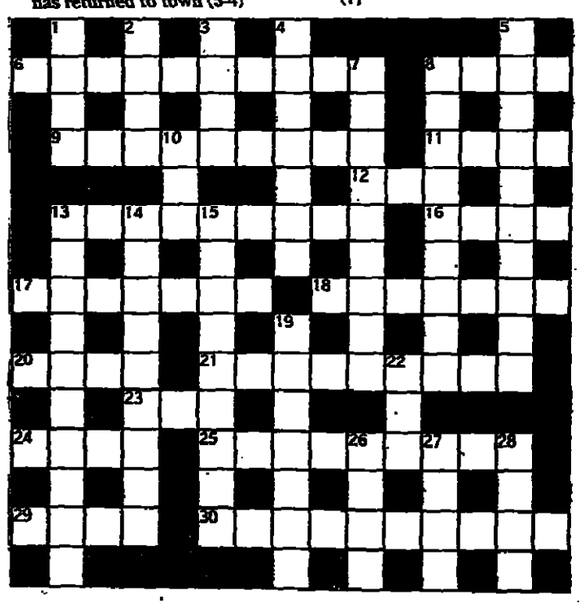
CROSSWORD

ACROSS

6 New phone boxes for those who dislike foreign types (10)
8 Stock breeder for optimistic stock man (4)
9 Sea parted in such a way that it is no longer in the same place (9)
11 Coward backing Trotsky (4)
12 Eastern Egyptian god for a long time (3)
13 Where orchestralists perform together (2,7)
16 Hyperbolic formula that is a real stunner (4)
17 The voice of one who plays no part (7)
18 Game of dominoes watched in the bull-ring (7)
20 Relief for a leading Republican senator (4)
21 He has a hunch the criminal has returned to town (5-4)
23 Fabricated lie Hawaiians hang about a visitor (3)
24 1500050 is a figure some respect (4)
25 Maybe regimental pipers in action are just a bunch of brigands (5,4)
29 One in prison—for killing his brother? (4)
30 Additional insurance against being driven off (5,5)

DOWN

1 Black horse for a good queen (4)
2 The endless round of housework (4)
3 Fish for tea (4)
4 A socially superior accomplice (7)
5 The finest horses kept by a transfusion centre (10)
7 Lead one up the garden path, not the main road (4-5)
8 1854 battle helmet (9)
10 Trouble from the year dot? (3)
13 Virtuously doing well (2,1,4,3)
14 Keep governor who is able to take in 17th century authoress (9)
15 Invite a CO serving a term of apprenticeship before taking orders (9)
19 Travel daily just to change a sentence (7)
22 Short cut for Robert Short (3)
26 A rising poet lacking in lustre (4)
27 First half of the alphabet is a very little matter (4)
28 Tied and dragged (4)

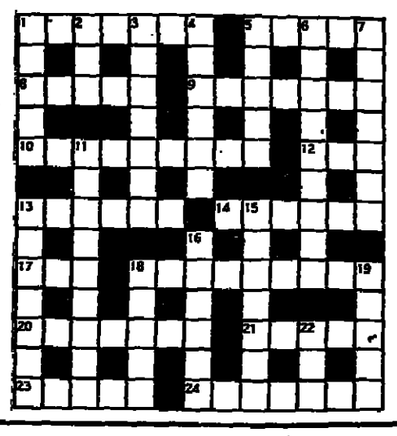


Yesterday's Solution

A	S	C	E	R	T	A	I	N		H		S		B
	H		N		H		T		S	E	T	T	L	E
V	I	C	T	O	R	I	A	N		A		R		A
	E		A		I		L		O	R	D	A	I	N
A	L	L	I	N	V	A	I	N		T		T		F
	D		L		E		A		D	A	M	A	G	E
A		W		B	E	N	D		C		G		A	
G	O	H	E	A	D	O	V	E	R	H	E	E	L	S
O		I		R		N	E	W		E		M		T
N	E	L	S	O	N		R		F		F		U	
I		E		M		I	M	P	A	T	I	E	N	T
S	H	A	K	E	S		O		L		I			
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N	E	A	R	E	Q		T		I		E		O	
G		Y		R		T	H	I	N	K	T	A	N	K

QUICK SOLUTION

ACROSS: 1 Quod, 3 Wrangles, 9 Antic, 10 Pranced, 11 Hug, 12 Blameless, 14 Ill-use, 16 Stoops, 18 Statement, 20 Sag, 22 Pitapat, 23 Cadiz, 25 Daydream, 26 Amid.
DOWN: 1 Quash, 2 Opt, 4 Repeat, 5 Nearest, 6 Lecherous, 7 Sadists, 8 Scab, 12 Gallantry, 14 Insipid, 15 Steeper, 17 Bertha, 19 Tact, 21 Gazed, 24 Dim.



QUICK CROSSWORD

ACROSS

1 Section of book
5 Timepiece
8 Sports ground
9 Consulting room
10 Drunk (sl.)
12 23rd Greek letter
13 Tasmanian capital
14 Bombard
17 Nothing
18 Senior academic
20 Listless
21 Nasal tone
23 Old bailiff
24 Sincere

DOWN

1 Hold tightly
2 100 square metres
3 Agricultural vehicle
4 Holiday town
5 Earth
6 Actors
7 In an unexpectedly bad state
11 Medical vehicle
13 Police-dog keeper
15 Small loudspeaker
16 Walk uncertainly
18 Dried plum
19 Entitlement
22 Highest card

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JULY	$434,148
AUG.	$383,097
SEPT.	$558,932
OCT.	$687,311
NOV.	$506,612
DEC.	$528,137
1987 JAN.	$485,104
FEB.	$539,640
MAR.	$603,609
APR.	$628,768
MAY	$948,861

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MARKET PLACE

PINHAS LANDAU

Sunday, blue Sunday

The technical reaction that was widely sought in the share market last week arrived on Thursday but had gone without trace yesterday.

Sunday has usually been an up day of late – but not this time, as the market took it on the nose. Sharp falls were recorded right across the board, with declines five times as numerous as advances and far more issues falling by more than 5 per cent than rose by any amount.

The only sector to stand out from the surrounding massacre was the oil sector, which rose even faster than the rest of the market was crumbling. All this because the drilling at Agur 1 looks good – Energy Minister Moshe Shahal said so and, after all, this is the work of the Armand Hammer group, the great white hope of the Israeli oil industry.

The only thing that isn't clear is why, if the prospects are so enticing, Alfred Akirov, one of the main partners in JOEL, keeps selling shares every time the price goes up. However, the drill results should be in within a week or two, so then maybe we'll have some harder facts to go on.

Oil aside, and disregarding the bank share/bonds, it was as bad a day as we've seen in the last 2-3 weeks of weakness. The market is now on what is touted as an important technical support line, and if today sees follow-through selling, then that line will have been breached. That will pave the way for further falls, if the technicians are to be believed.

In the background, the great debate between the fundamentalists rumbles on as to whether the market is "high" or not. It all depends on where your starting point is, for one thing, as well as what factors you consider relevant for assessing current price levels.

The latest Euroteam paper on the markets examines where the market is compared to its all-time high at the end of 1982. Given the stratospheric heights scaled by the 1982 bull-market, it would be bad news if prices were anywhere in the vicinity of the peak reached then.

It may come as a relief to know that, according to Euroteam's calculations, the total market value in dollars is only 60 per cent of the peak (using prices on June 1, 1987 as the comparison point). In all the main financial sectors, the market is much lower, with non-arrangement banks at 43%, mortgage banks at a mere 31% and insurance companies 38%.

On the other hand, if the pace of rise of the first months of this year were to continue until its end (something that doesn't look likely right now) then end-1987 would have surpassed end-1982. This shows how far we have come since the darkest days of the slump.

In 1983, the "free" share market was annihilated, showing an 80% decline in dollar terms. This trend continued through 1984, at the end of which year the market was at 17.6% of the 1982 high. Had one bought a market-based portfolio then, one would have had about $340 for every $100 invested.

The services and trade sector, or the real estate sector, would have outperformed the overall market, and risen by 4.8 times in the 2½ years until last June 1, but even this would have been outshadowed by the 7.7-fold surge in the oil exploration sector – and this without a serious oil strike.

But this delightful playing with figures is of limited value, as the researchers have the grace to admit. The main reason for that is that the dollar/shekel rate over the past two years has been almost steady, while inflation has crept onward, so that dollar-valuations are distorted. Using the CPI as the basis for comparison shows that an investment made at the end-1982 peak would have lost 52% of its real value by this June. Since the end of 1983, however, real prices have more than doubled.

The other problem is that many companies (16 to be exact) that were traded in December 1982 have been delisted. Among these are such notables as Solel Boneh, Danot and Ata. Others have been issued during these years, and some of these have even managed to come and go within a short space of time (e.g. Rubinstein, see this page). The figures have therefore been prepared by using only companies that were listed in December 1982 and are still there in June 1987, despite the slight distortions this introduces.

Finally, the figures tell us nothing about real profitability, which could conceivably justify a market value at or above the old record. In practice, of course, this is far from being the case.

ISOLATED. – One in every four senior citizens in Israel has no phone, and 15 per cent of them don't have any heating in winter, according to a recent study by the Eshel Association for the elderly.

Treasury opposes rise

Ministries' spat puts petrol price in doubt

By KEN SCHACHTER
For The Jerusalem Post

TEL AVIV. – The Finance Ministry is hitting the brakes while the Energy Ministry is hitting the gas, and the combination is casting considerable uncertainty on a proposal to raise petrol prices.

The Treasury, with an eye on the consumer price index, has said that a plan to increase petrol prices, announced last week by Energy Minister Moshe Shahal, is ill-advised and unnecessary. The Energy Ministry, with an eye towards bringing Israeli petrol prices in line with those in Western Europe, has said that the price increase is overdue considering changes in the price of crude oil on the world market.

The result so far has been a deadlock, since neither ministry can adjust the prices of petroleum products without the other's consent.

But yesterday, Shahal announced that as long as petrol prices were going to be frozen, his ministry would also freeze the price of fuel oil used by industry.

"The bias between the price of fuel for industry and the price of gasoline is twisting the economic basis of price policy for energy products," the minister said in a statement. The situation "creates a lack of economic logic that we can't comply with," he added.

The Finance Ministry declined to comment yesterday on Shahal's latest move in the inter-ministerial tug-of-war.

The Treasury's initial reaction to the proposed petrol price increase was to suggest that, instead, the tax component of petrol be reduced to compensate for an increase in the average world price of a barrel of crude oil from $10 in 1986 to $18 now. But again the two ministries split, this time on the matter of the tax component at the petrol pump. Finance says petrol is taxed 100 per cent, Energy insists it's 47.5 per cent.

Neither side would elaborate on how they arrived at their respective conclusions.

Unlike petrol prices, which haven't been changed in 13 months, industrial fuel oil prices have been adjusted almost monthly, with the last increase coming just weeks ago.

Shahal said he had hoped to put prices for Israeli petroleum products on a parallel course with those in Western Europe as he instituted the first phase of his reform programme on August 1.

The plan allowed several major oil consumers, including Israel Electric Corp. and the Defence Ministry, to import up to 30 per cent of their crude needs on the world market.

Currently, the "three sisters" – Sonol Ltd., Delek Fuel Corp. and Paz Oil Co. – import all of Israel's oil.

Treasury's primary concern in blocking the price increase appeared to be prompted by fear that it would fuel a jump in the consumer price index. The movement would come not only in purchases at the pump, but in increases in the car allowances granted many Israeli employees.

Shahal countered: "It's the duty of government to take care of industry as well as motorists." The Energy Ministry also cited a 15 per cent increase in petrol consumption over the last 12 months that it attributed in large part to low prices.

Another Hurvitz firm falls to the receiver

TEL AVIV (Itim). – Another piece of the Hurvitz brothers empire fell to the invading army of creditors yesterday, as Tel Aviv District Court Judge Yisbai Lavit agreed to appoint a temporary receiver for United Dairies Ltd. at the request of Israel Discount Bank.

At the same time, the court approved additional receivership orders and a receiver to look after the bank's interests against two other Hurvitz companies. Oren Building Development and Investment Ltd. and Yariv Properties Ltd. That will enable Discount to cash in debentures it holds in the two concerns. Yariv, alone, has debts of about $3.1 million to the bank.

Bank Leumi last week won a winding-up order against the two firms, as well as other parts of the Hurvitz empire.

Discount attorneys told the court yesterday that Yariv Properties had signed the debentures and other guarantees for a host of companies within the business empire of brothers Yoni and Yoav Hurvitz, the sons of Minister-without-Portfolio Yigal Hurvitz. Among these, the attorneys said, were Oren Building and United Dairies.

The debentures mortgaged the companies to Discount.

Additionally, Discount's attorneys said, it was clear that the assets and property of United Dairies were also mortgaged to Discount through the debentures.

The lawyers estimated Yoni and Yoav Hurvitz's debts at $20m. but offered no figures on the value of their properties. They estimated the debts of United Dairies alone at $3.1m.

Earlier in the day the court confirmed its winding-up orders against the Hurvitz companies and the brothers themselves by Leumi.

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Landeco denies troubles

By PINHAS LANDAU
Post Finance Reporter

Reports of the imminent demise of Landeco-Rubinstein Investments Co. were exaggerated, the company said yesterday.

The reassurances came in a formal letter to the Tel Aviv Stock Exchange, after the TASE had sought clarifications regarding Landeco's financial well-being. These concerns had been triggered by a spate of press reports suggesting that Bank Leumi, Landeco's main creditor, was pressing the company for repayment of its outstanding debts.

The company noted that the state of its affairs had been outlined in its financial statements, which at the end of September 1986 showed it had shareholders' equity of only NIS 1.3 million, short-term debts of NIS 33m. and long-term obligations of NIS 26m.

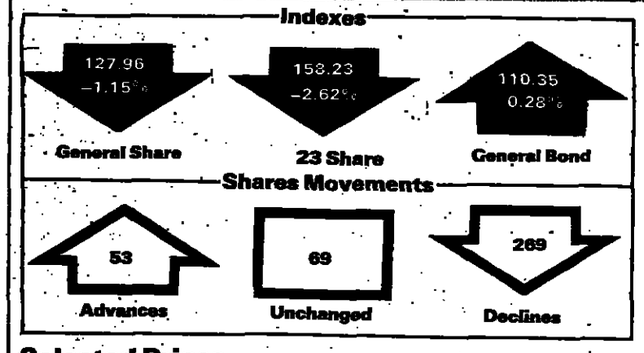
While admitting that it was suffering from liquidity difficulties, Landeco pointed out that it had substantial holdings in real estate against these financial obligations. It was now working to realize some of these real estate and other holdings, and had already sold its stake in Kopel Drive Yourself Ltd. and a plot of land in Rishon Lezion, and was negotiating other sales. This programme should significantly reduce the company's liquidity problems, it said.

At the same time, the company – which is owned by Aharon Rubinstein and his sons Motti and Amnon, following the split between the two wings of the Rubinstein family – added that it was negotiating with Bank Leumi for a refinancing package.

One aspect of this is a planned rights issue to existing shareholders. Some of the major shareholders have expressed their willingness to go along with this idea, to the extent of buying $2 million of new shares.

A major development that could help Landeco was not mentioned in yesterday's announcement. This was the granting of permission to build a high-rise commercial centre on the plot formerly occupied by the Assis factory in Ramat Gan. Landeco owns 70 per cent of Assis, and the Ramat Gan land is now worth many times more than its value on Assis's books.

Tel Aviv Stock Exchange



Selected Prices

Name	Price	T'over NIS	% change
Commercial Banks			
(last part of "arrangement")			
OHH	21800	33	–2.0
Maritime	2000	4843	–6.1
General non-arr.	26100	312	+0.8
FIBI	8430	6060	–4.4
Commercial Banks			
(part of "arrangement")			
IDB r	99020	588	+1.1
Union 0.1	72400	200	+0.6
Discount	129043	88	+0.2
Mizrahi	40140	163	–
Hapoalim r	66650	1352	+1.0
General A	168351	–	–
Leumi 0.1	42080	1713	–0.1
Fin. Trade	57000	–	–
Mortgage Banks			
Leumi Mort. r	9310	273	–10.0
Dev. Mort.	3800	557	–
Mishkan r	3654	1014	+1.4
Tefahot r	22230	119	–10.0
Menav r	8170	37	–
Financial Institutions			
Agric C	No trading		
Leumi Ind.	13000	150	–4.8
Ind. Dev. DD	No trading		
Clal Leasing 0.1	22500	50	–8.2
Insurance			
Ararat 0.1 r	1417	7	–4.7
Phoenix 0.1	800	7608	+0.6
Hamishmar 1.0	5750	469	–7.7
Menorah 1	2900	239	–0.7
Sahar r	423	7257	–10.0
Securitas	1270	60	–
Zion Hold. 1	9815	9	–3.0
Trade & Services			
Meir Ezra	982	4190	–6.0
Clal Trading	482	26103	–4.2
Lightcrage 0.1	575	1302	–1.8
Cold Storage 1.0	1360	1008	–
Dan Hotels 1.0	1745	920	–8.4
Yarden Hotel	2780	656	–
Hilon 1	5531	1673	–
M.L.L.	16300	18	–
Team 1	827	3068	–1.0
Real Estate, Building and Agriculture			
Azorim	1284	15199	–5.9
Al-Rov	1825	341	–1.6
Africa Isr. 0.1	51650	264	–3.0
Africa Isr. 1.0	42500	463	–3.1
Dankner	7000	124	–2.8
J.E.C.	301	21836	–8.2
Bayside 0.1	5150	2900	–5.5
Mehadrin	8558	2044	–1.5
Hadarim Prop.	1780	2013	–2.5
Industrials			
Dubek b	6170	2168	–3.0
Tempo 1.0	35800	222	–1.1
Sunfrost	16000	80	–3.0
Adgar	674	5173	–5.2
Argaman	17200	191	–4.2
Ligat	357	4478	–
Polgat	2020	4283	–1.5
Gibor Sabrina	12899	223	–8.6
Urdan 0.1r	8741	349	–5.0
Wire&Cable	66500	47	–3.0
Is. Can Co.1.0	4375	3417	–5.0
Zion Cables 5.0	3294	312	–2.8
Paclar Steel	18200	255	–4.7
Elbit	551000	76	–1.8
Elron	436000	37	–1.7
Aryt	27200	151	–1.4
Clal Electronics	2590	4620	–5.1
Spectronix 1.0	1525	1950	–1.3
T.A.T. 1.0	1698	1074	–8.5
Y.P. Clal	220	22220	–1.8
Ackerstein 1.0	625	5142	–5.7
Alliance	2709	375	–10.0
Fertilizers 0.5	4850	654	+2.2
Haifa Chem.	910	3690	–5.7
Periclase	516	14383	–4.6
Frutarom	42000	61	–2.1
Koor p	No trading		
Investment Companies			
Israel Corp. 1.0	4500	4080	–7.1
Wolfson 1 r	139000	1	+0.4
Hapoalim Inv.	985	2381	–6.6
Mizrahi Invest.	35400	38	–3.3
Yissum	259	13891	–3.7
Pama 0.1	9312	45	–3.0
Piryon	15000	607	–8.5
Oil Exploration			
Paz Oil Expl.	42300	182	+1.0
I.O.E.L.	980	63128	+9.6

Abbreviations: a.o. sellers only; b.o. buyers only; b bearer; r registered

23 Shares

Name	Morning Price	Morning T'over NIS	Morning % Change	Afternoon Price	Afternoon T'over NIS	Afternoon % Change
First Internat'l	7475	3720	–1.25	7435	1735	–1.8
Hassneh r	360	28000	–1.00	350	16477	–3.8
Supersol A	13851	1620	–1.00	13831	282	–1.1
Supersol B	10937	910	–3.00	10837	1586	–3.9
Delek r	2822	17080	–1.00	2822	1832	–1.0
Prop. & Building.	3581	4600	–1.25	3551	1188	–1.5
ILDC r	73946	80	+1.00	73946	124	–1.0
Ispro	No trading			4332	s.o.1	–5.0
Clal R Estate	712	18700	–2.50	700	5986	–4.1
Elite	18773	320	–2.00	18673	288	–2.5
Delta Galil 1	4638	1820	–2.00	4683	1111	–8.1
Agan	1776	5800	–2.50	1740	1795	–4.5
Teva r	15139	2760	–2.00	15000	542	–2.9
Dead Sea	2853	17820	–0.75	2833	2121	–0.7
Petrochem	789	4000	–0.75	759	6892	–2.1
AIPM	419152	182	–2.00	417152	25	–2.5
Central Trade	12195	980	–2.00	11985	230	–3.6
Clal Industries	285	186000	–1.00	285	32110	–1.1
IDB Develop.	10586	5680	–1.50	10470	1169	–2.6
Ellem	5943	280	–	5646	988	–5.0
Discount Invest	3186	7200	–1.50	3027	1493	–5.4
Clal 1.0	1510	10800	–3.00	1300	5170	–3.7
Paz Invest.	3564	600	–0.75	3555	580	–1.0

Statistics

Stock Indices

General (excl arqmt.)	146.31	–2.98%
Non-arqmt. Banks	174.59	–2.65%
Arrangement Banks	116.98	+0.48%
Mortgage Banks	143.04	–3.98%
Financial Inst.	114.85	–1.17%
Insurance	173.80	–2.82%
Commerce & Services	143.80	–2.46%
Real Estate & Agric.	133.98	–3.35%
Industrials	144.94	–2.70%
Food & Tobacco	130.79	–2.28%
Textiles	136.43	–4.07%
Metals	137.22	–3.18%
Electronics	141.23	–2.41%
Chemicals	152.11	–2.52%
Industrial Invest.	164.61	–2.12%
Investment Cos.	169.24	–4.37%
Oil Exploration	193.38	+0.17%

Bond Indices

Index-linked Bonds	109.37	+0.37%
Fully linked	110.16	+0.49%
Partially linked	108.24	+0.14%
Foreign Currency	116.42	–0.27%
FC denominated	115.55	–0.34%
FC linked	116.93	–0.24%
Short-term 0-2 yrs	108.95	+0.16%
Short-medium 2-5 yrs	110.12	+0.34%
Medium-long 5-7 yrs	111.60	+0.20%
Long-term 7+ yrs	111.66	+0.40%

Turnovers

Total Shares	NIS	20,180,100
Non-arrangement	NIS	17,520,300
Arrangement	NIS	2,659,800
Bonds	NIS	4,815,100
Treasury Bills	NIS	3,279,000

Share Movements

Advances	53	(215)
of which 5%+	10	(32)
buyers only	0	(11)
Declines	269	(59)
of which 5%+	72	(2)
sellers only	5	(0)
Trading Halt	43	(40)

Bond Market Trends

Index-linked:	
3% fully linked	Rises to 0.5%
4.25% fully linked	Rises to 1%
6% linked	Closed to 0.5%
Double-linked	Stable/rises to 2%
Admon	Rises to 2.5%
Rimon	Stable/falls to 2%
Gilboa	Mixed to 1%
FC denominated	Slightly mixed
T-bills	15.80–16.50%

Arrangement Yields

IDB ord.	13.16%
Union 0.1	13.78%
Discount A	13.88%
Mizrahi R.	13.57%
Hapoalim R.	13.22%
General A	13.58%
Leumi Stock	13.62%
Fin. Trade 1	11.89%



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Israel Money Markets

Shekel Deposits (annual rates)

Bank / Last Updated	Deposit Size	Tapas	7 days	14 days	30 days
Leumi (June 18)	500–999	8.00	8.50	9.50	11.00
	1,000–9,999	12.25	13.50	13.50	13.75
	10,000–49,999	13.50	14.50	14.50	14.75
	50,000+	14.00	15.00	15.00	15.25
Hapoalim (June 1)	Up to 999	7.00	8.00	9.00	10.00
	1,000–9,999	13.00	13.00	13.50	14.50
	10,000–49,999	13.50	13.50	14.00	15.00
	50,000+	14.00	14.00	14.50	15.50
Discount (June 17)	50–999	8.00	8.50	9.00	10.00
	1,000–9,999	13.00	13.00	13.50	14.00
	10,000–99,999	14.50	14.50	14.50	15.00
	50,000–99,999	14.50	14.50	14.50	15.00
Mizrahi	40–1,000	—	—	—	—
	1,001–2,500	—	—	—	—
	2,501–5,000	—	—	—	—
	5,001–10,000	—	—	—	—
	10,001–50,000	—	—	—	—
First Int'l (June 18)	50–999	8.00	8.40	8.40	11.20
	1,000–4,999	12.00	12.50	13.00	13.10
	5,000–9,999	13.00	13.00	14.10	14.20
	10,000–49,999	13.50	14.10	14.30	15.10
	50,000+	14.50	14.80	14.60	15.60

Patah (foreign currency deposit rates, June 19)

Currency (min. deposit)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar ($100,000)	6.375	6.625	7.000
Pound sterling (£100,000)	7.250	7.250	7.250
Deutschmark (DM 200,000)	2.750	2.760	2.875
Swiss franc (SF 200,000)	3.000	3.000	3.000
Yen (3 million yen)	2.500	2.625	2.625

SOURCE: BANK LEUMI. Rates vary according to size of deposit.

Shekel Foreign Exchange Rates June 19)

	Cheques and Transfers Buy	Cheques and Transfers Sell	Banknotes Buy	Banknotes Sell	Rep. Rates
Currency basket	1.6680	1.6870	—	—	1.6781
U.S. dollar	1.5901	1.6099	1.56	1.63	1.6020
Deutschmark	0.8730	0.8838	0.86	0.89	0.8789
Pound sterling	2.5836	2.6281	2.54	2.65	2.6145
French franc	0.2612	0.2644	0.25	0.27	0.2631
Japanese yen (100)	1.1094	1.1141	1.08	1.13	1.1083
Dutch florin	0.7749	0.7848	0.76	0.79	0.7801
Swiss franc	1.0517	1.0647	1.03	1.08	1.0587
Swedish krona	0.2506	0.2537	0.25	0.26	0.2522
Norwegian krone	0.2376	0.2406	0.23	0.24	0.2392
Danish krone	0.2319	0.2347	0.23	0.24	0.2338
Finnish mark	0.3586	0.3642	0.35	0.37	0.3621
Canadian dollar	1.1849	1.1996	1.16	1.21	1.1953
Australian dollar	1.1487	1.1630	1.08	1.19	1.1585
S. African rand	0.7886	0.7995	0.51	0.61	0.7947
Belgian franc (10)	0.4198	0.4251	0.41	0.43	0.4240
Austrian schilling (10)	1.2412	1.2567	1.22	1.27	1.2508
Italian lira (1000)	1.2055	1.2205	1.18	1.24	1.2148
Jordanian dinar	—	—	4.53	4.81	4.6458
Egyptian pound	—	—	0.68	0.72	0.7409
ECU	1.8103	1.8329	—	—	1.8244
Irish punt	2.3343	2.3633	2.28	2.42	2.3529
Spanish pesata (100)	1.2591	1.2748	1.22	1.30	1.2682

SOURCE: BANK LEUMI.

Foreign Markets

EUROPEAN FINANCIAL MARKETS (June 19)

Precious Metals

Gold	London	a.m. fix	452.25
	London	p.m. fix	448.00
	Paris	noon fix	451.69
	Zurich	p.m. fix	448.85
Silver	London	Spot	750.20
Platinum	London	p.m.	571.50

Libor Rates

	1 months	3 months	6 months
Sterling	8⅛	8	9⅛
Dollar	7⅛	7¼	7⅜
S-franc	4⅜	4¼	4⅛
D-mark	3⅛	3¾	3⅞
Yen	4⅛	4⅛	4⅛

SOURCE: MARINE MIDLAND BANK

Foreign Currency Crossrates (London 15:30 GMT, June 18)

	Spot	3 months	6 months	12 months
Forward rates				
Pound sterling	1.6290/00	72/67	133/128	210/200
Deutschmark	1.8240/50	155/160	312/307	650/640
Swiss franc	1.5160/70	118/113	249/239	545/520
Dutch florin	2.0650/60	99/94	210/203	480/465
French franc	6.0900/30	175/200	355/405	650/750
Japanese yen	144.55/65	121/118	242/232	510/490
Italian lira	1318.5/8.5	80/110	170/200	330/400
Belgian franc	37.80/83	7/2	13/6	30/10
Canadian dollar	1.3415/20	43/50	78/88	145/160
ECU	1.1377/82	9/12	25/30	50/60
S. African rand	0.4950/80	10/2	25/10	65/45
Austrian schilling	12.81/83	10/8	20/16	39/29
Swedish krona	6.3550/00	245/285	590/650	1190/1285
Norwegian krone	6.7000/50	1160/1210	2270/2340	4300/4400
Danish krone	6.8650/00	310/360	650/750	1200/1480

Share indices

Commerzbank 60 stocks ..... 1805.8+52.8 Financial Times 100 stocks 2259.4–33.8

NEW YORK FINANCIAL MARKETS (June 19)

U.S. Money Rates

Prime rate ..... 8.25% Fed funds (late) ..... 6¹⁵⁄₁₆%
Broker loan ..... 8.00% Long-term bond ..... 102²⁵⁄₃₂–²⁹⁄₃₂
NY Euros (3 months) ..... 7⅜–⅛% Discount rate 5.5%

New York Foreign Exchange

	DMK	SFR	STG	YEN	CAN
Latest	1.8295/05	1.5200/10	1.6100/10	144.80/85	1.3393/98
High	1.8310	1.5220	1.6278	145.07	1.3398
Low	1.8220	1.5140	1.6070	144.45	1.3375

Comment:
The dollar ended Friday near the upper end of its recent narrow range in dull, uninspiring trading. Technical factors continue to support the dollar but underlying concerns about the U.S. trade and budget deficits remain. Meanwhile, sterling closed on a decidedly weak note as operators continued to take profits after Thursday's mixed batch of British economic data.

Precious Metals

Gold	Spot	445.15	Silver	Spot	7.16
	Prev close	450.65		Prev close	7.47

Wall Street (Prices as of 16:00 GMT)

Market Indices			NYSE Highest Volume		
DJ Industrials	2,420.85	+12.72	Att	28⅛	UNCH
DJ Transport	1,026.84	+0.13	Gillette	39⅝	–½
DJ Utils	205.55	+1.44	Pan Am Cp	6¼	+ ⅛
Stocks	808.52	+3.61	Bk Tx Grp	⅞	UNCH
NYSE Comp	172.57	+0.73	Gen Elec	53⅝	– ⅛
NYSE Inds	208.93	+0.93	IBM	161⅜	+½
NASD Comp	429.08	+0.11	Exxon	80¼	+⅜
S–P 100 Index	300.43	+2.08	Amer Expr	35⅞	+ ⅛
S–P Comp	306.97	+1.26	Det Ed	16⅛	– ⅛
S&P OTC 250	274.37	+0.39	Comw Ed	36¼	+ ¾

Statistics

NYSE	Volume	222,770,400	NASDAQ	Volume	158,527,300 (June 18)
	Stocks up	789		Stocks up	1131
	Stocks down	517		Stocks down	1065

Comment:
The often-menacing triple-witching hour failed to short circuit Wall Street's climb into record territory Friday, as stocks closed higher in active trading. "There is a fair amount of nervousness and curiosity about the event, but the market seemed much more in control," a trader said.
"There was a lot of volume at the opening with the early settlements and a lot of volume at the close when the rest of the contracts expired, but almost nothing happened in between," said Gerald Simmons, head of equity trading at Smith Barney.

Israeli Stocks Traded in New York

NYSE/Amex

	Last	Prev. close	High	Low	Vol. ('000s)
Alliance	—	1⅞	—	—	—
Am Isr Pap	26¾	27	26¾	26¾	1
Ampal	1⅞	1⅞	2	1⅞	28
Carmel Cont	8¼	8⅝	8½	8¼	11
Elscint	2⅜	2⅜	2⅜	2¼	107
Etz Lavud	10¼	10¼	10⅜	10⅛	43
Laser Inds	14½	14½	14½	14½	72

Over-the-Counter

	Last	Bid	Ask		Last	Bid	Ask
Aryt	—	6¼	6⅝	Interpharm	—	4	4½
Bank Leumi	—	—	—	Optrotech	—	8½	9¼
Elbit	10½	10½	10⅝	Radia	—	3	3½
ECI Tel	4⅞	4⅞	5⅛	Scitex	3⅝	3⅝	3⅝
Elron	8¼	8¼	8⅜	Taro-Vit	—	1¾	2
Fibronics	6⅜	6¼	6⅜	Teva Pharm	—	11¼	11¾
IDB	—	—	—	SPI	—	2¼	3⅛
IIS	4½	4½	4⅝				

OVERSEAS FINANCIAL DATA
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A debt of honour

CRITICS, mainly on the extreme nationalist right, of the planned restoration of villages of Ikrit and Biram to their pre-1948 residents, fear that it will be cited as a precedent by hundreds of thousands of Palestinians who lost their homes in the 1948 all-Arab assault on the budding State of Israel. The author of the plan, Minister-without-Portfolio Moshe Arens, a Herut leader, insists that the case of Ikrit and Biram is unique, and thus could not in any way serve as a precedent in a future discussion of the Arab refugee problem.

The truth of the matter is a little more complicated. The case of Ikrit and Biram is not in fact unique. And yet it could not serve as any precedent.

During the War of Independence all the inhabitants of the Arab village of Beit Nakoba, located near Kibbutz Kiryat Anavim in the Jerusalem "corridor," were told by the IDF to evacuate it "for just a little while," for military reasons. They were advised to leave all their properties behind and to lock up their homes, for they would soon all be back.

The orders were observed without a demurrer, for the villagers had no reason to doubt the army's word. Along with neighbouring Abu Gosh, Beit Nakoba was famous at the time among Jews as a particularly friendly Arab village that not only spurned the mufti's gangs but was aiding the Jewish fighters. But someone at the Jewish Agency, who had not been privy to the army's arrangement with the villagers, promptly invited Jewish newcomers from Europe to take up residence in the vacant Beit Nakoba homes.

Beit Nakoba thus became Beit Nekofa, while the original inhabitants of the Arab village took refuge in Abu Gosh, or moved out to Amman. But they did not give up hope of going back home some day soon. They kept knocking on doors at the Jewish Agency, and in Kiryat Anavim, reminding their Jewish friends of the promise they had received.

After some considerable soul-searching and policy-weighing in high places, a compromise was worked out. It was too late for the villagers to repossess their old homes, which were already in use by Jews, but it was decided that most of their lands would be returned to them, and that on these lands a new Beit Nakoba would be built.

The village elders rejected the offer out of hand. They would have all, or nothing. The younger and more level-headed people, however, prevailed, and the offer was eventually accepted. In 1957 the first villagers moved into their new homes in rebuilt Beit Nakoba. During the following decade all Beit Nakobans who had settled temporarily in Abu Gosh moved back to the new village. After the Six Day War they were joined by their former next-door neighbours who had left for Jordan.

For the past 20 years Beit Nakoba has distinguished itself as a model of a peaceful, law-abiding Arab village. Relations with the Jewish settlements around it – notably with Moshav Beit Nekofa – have been excellent.

In the case of Beit Nakoba the land was returned to its owners, but not their homes. In the case of Ikrit and Biram, on the northern border, Mr. Arens is now proposing the return of the homes, or what is left of them, but not of the lands, to the original owners. The only other striking dissimilarity is that in the case of Greek Catholic Ikrit and Maronite Biram, but not in that of Moslem Beit Nakoba, the High Court of Justice itself affirmed, even if to no avail, three years after the War of Independence, the villagers' right of return.

There were no other such recorded cases in that war, and none have been unearthed since then.

Restitution in integrum is not always, indeed rarely, a viable means of making amends for a palpable wrong. But even the rendering of partial justice would constitute an overdue repayment of a debt of honour to Palestinians whose only fault was their loyalty to Jewish friends at a time of great peril, and their firm belief that the People of the Book would not renege on solemn promises.

Anarchy must end

THE MOST obvious conclusion from the most recent spate of disruptions in what are considered vital public services – road transportation, television and radio – is the familiar one, that things cannot go on like this much longer.

True, when Egged buses grind to a halt long before midnight, and when TV screens are blanked out and radio transmissions are reduced to a buzz all day long, people learn to walk again, read books and even – this being the Book Week – buy them. But such heady compensations, while exceedingly useful in their own right, are no long-term substitutes for the activities they briefly replace.

Thought must therefore at long last be given to providing radical cures for the chronic anarchy that typifies relations between Egged and the Ministry of Transport and between television technicians and the Broadcasting Authority.

Egged no doubt has justifiable financial claims on the ministry, but it is an outrage for it to press them by going even part of the time on strike. On the other hand it boggles the mind to discover that agreements on critical matters between the ministry and the bus cooperative are routinely concluded orally, rather than being committed to paper. This, it may be assumed, is not how things would have been transacted if the country had a non-political regulatory commission placed in charge of all non-governmental modes of domestic transportation.

The TV technicians, for their part, have a justifiable claim on the IBA and the Treasury for the payment of a 6 per cent retroactive wage rise, which was awarded to them by a labour court but was blocked by the Treasury; and the IBA's attempt to make the payment conditional on the technicians' consent to man mobile units without any extra pay seems out of order. But it is the technicians' refusal over not months but years to adapt themselves to new techniques without in the process bleeding the IBA white that drives it to such desperate measures.

There is a chance that broadcasts might be resumed after four days following a meeting scheduled for tonight between Yitzhak Navon, Moshe Nissim and Yisrael Kessar. At least another such meeting, however, will be needed to ensure that Television House is removed from the morass of labour disputes from which it seems unable to pull itself by its own devices, and placed on solid new foundations.

Israel and American Jews

Danger of backlash

Gabi Sheffer

THE POLLARD, Irangate, and the General Security Service scandals, as well as the failure to start a serious peace process with Jordan and the Palestinians, all have implications in two spheres of American-Israel relations. The first is connected to Israel relations with the United States administration, and the second to Israel relations with American Jews. If the next general elections in the U.S. were not "critical," these scandals might not leave scars on official relations between the two countries. This is, however, not the case in regard to Israel-American Jewish relations.

Those who think that, after the dust raised by these scandals settles, the American Jewish community will revert to old patterns in its relations with Israel, are totally wrong. In this regard, many Israeli politicians, as well as distinguished experienced political analysts, like Shlomo Avineri, are mistaken. They are mistaken because it is now too late to accuse American Jewish leaders of a lack of national courage, or to play on sensitive feelings in regard to the Jewish State. It is too late to return to the *status quo ante*, that is to restore their loyalty and obedience to Israel officials or politicians. The processes are irreversible.

The best indicator that something is happening, beneath the surface as well as publicly, comes from unofficial conversations with Israeli diplomats in Washington and New York. While those diplomats have always maintained that Israel completely controls the American Jewish community, and have rejected the notion that the American Jewish community's attitudes vis a vis Israel have changed, they now admit that something is changing.

There are additional indicators. Nobody can disregard recent public opinion polls which show a marked reduction in sympathy toward Israel. The most worrisome aspect of these polls is the decline in the number of Jews who would regard a catastrophe in Israel as their own personal tragedy. This is extremely significant since this has been the most sensitive test of American Jewish loyalty to Israel.

Yet another indicator of the decrease in sympathy for Israel is the growing public criticism that American Jewish leaders are directing at Israel. Apparently, they feel that they have a right to do so, since Israel has developed a tremendous one-way dependence on them.

MANY WONDER what has caused all these changes. There are two basic facts important in this connection. The first is that Israel is dependent on the American Jewish community, but that community is not dependent on Israel. The second fact is that more and more members of the American Jewish community feel that there are today at least two cultural and political centres (America and Israel) for the Jewish people. Only a handful of American Jews think that the only centre is in Israel.

Israel's perceived defeat in the 1973 Yom Kippur War and in the war in Lebanon have contributed to Israel's one-sided dependence on American Jewry. Foremostly, this dependence is political. This is the case since American Jewish financial support for Israel has declined dramatically both in absolute and in relative terms, and is clearly dwarfed by American economic and military assistance to Israel.

Contrary to popular opinion, American aid is given not only in return for the strategic services that Israel renders to its patron. Undoubtedly, the U.S. can obtain everything that it gets from Israel from other sources. The unprecedented American aid to Israel is granted primarily due to the Jewish community. Moreover, the political and diplomatic umbrella that the U.S. offers Israel is also due to that community's lobbying. In fact these two types of support ensure Israel sovereignty and freedom of action in many fields.

While Israel is dependent on the American Jewish community, the Diaspora community is not at all dependent on Israel. From both an "objective" and a psychological viewpoint, the American Jewish community can exist without Israeli help or any other connection. This community is well established; it controls vast potential and actual political, cultural, organizational and economic resources, and its situation is safe enough in the pluralistic American ethnic mosaic. Subjectively, its disappointment with Israel is growing very rapidly.

Large groups in that community are dissatisfied with the cultural situation in Israel and especially with the fact that Israel has stopped producing innovative cultural or moral ideas. There is great disappointment in developments in Israel, regarding politics, government and society. And finally, there is a good deal of dissatisfaction with the political stalemate in Israel in regard to the peace process.

ON TOP of all these developments are the adverse ramifications of the Pollard affair. Knowingly or unknowingly, in dealing with this affair and with its various ramifications, Israel has broken a taboo. The articles that have appeared since then, especially those which have followed Avineri's line of argumentation, only worsened the situation.

We refer here to the crucial issue of "dual loyalty." The American Jewish community has rendered its services to Israel on the explicit and implicit understanding that Israel would never create a conflict in this respect. And this is the most sensitive and crucial issue for all of those who have a commitment to Israel but are unwilling or unable to immigrate to the Jewish State.

Preserving the Jewish community's loyalty to its host country lies at the very root of its ability to continue rendering political aid to Israel. As long as the main support that American Jews gave Israel was economic, this issue was not a crucial one. However, continued political aid is simply impossible when and if the Jews' loyalty to the U.S. is questionable.

The critics simply do not understand the fact that the American Jewish reaction to the Pollard affair and its handling in Israel, did not stem from cowardice or from a "galut" mentality. Apparently, those critics do not understand that the vehement Jewish reaction to those criticisms stemmed rather from their desire to continue to help Israel politically. Their ability to do so would have been severely jeopardized had the American-Jewish community's loyalty to the U.S. been seriously doubted.

In such situations of asymmetrical dependence, the dependent party must act very carefully. Israel is acting without giving the matter adequate thought, out of stupidity and inertia. If Israel does not change its attitudes toward the U.S. and the American Jewish community, as well as toward the peace process, the backlash may be even more severe. This is highly likely.

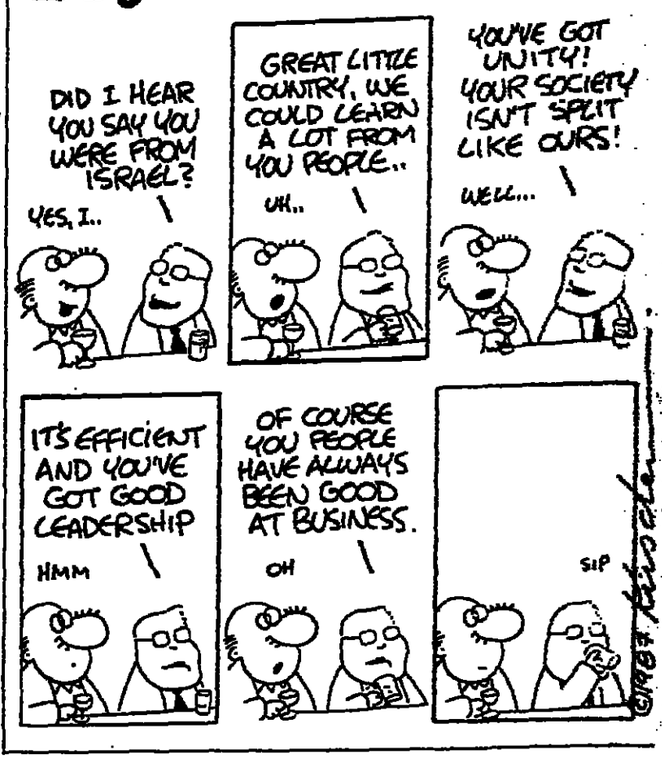
Some in Israel would say that this is not a new story and that some of us are crying "wolf!" These "optimists" say that Israel can rely on the blind loyalty of Jews to their homeland. To these the answer should be: look what has happened over the years to the UJA – we predicted it in writing 10 years ago, and similarly foretold in writing, a long time ago, that Jewish criticism of Israel would increase.

We also predicted a long time ago that the position of the professionals in the various Jewish organizations, who are the anchors of Israel influence in the U.S. would be diminished. We also foresaw the adverse political ramifications, from an Israel viewpoint, of the demographic changes that have occurred in the American Jewish community.

Therefore, it is high time that Israeli politicians heeded the warnings of Israeli academics. The government's "ostrich policy" may produce disastrous consequences to the entire Jewish people.

The writer teaches political science at the Hebrew University.

Dry Bones' LETTER FROM AMERICA



LAVI

(Continued from Page One)

plane was grounded.

"Once all the alternatives are clarified, I think there will be no choice but to cease production," Shahal said last night. "Unless the budget is raised, it will be impossible to continue producing the Lavi and there are no more budgets... not even on the distant horizon," he added.

David Levy, on the other hand, came out forcefully for the Lavi declaring it an "excellent" plane and saying the people who are building it must not be thrown out of their jobs..

Shapira maintained that the sums needed could be found. Some $50m. could be raised locally, he believed, and another $50m. could be collected abroad; a further $100m. could be found by cutting budgets of other ministries.

Cancelling the Lavi would lead to emigration, retard technological development and cause demoralization because the programme had become a national project, Shapira told his colleagues.

SINIORA

(Continued from Page One)

statements and return to the Palestinian national line, he will be tried in a popular court."

Siniora said he and his family were awakened at 4 a.m. yesterday at their Beit Hanina home when neighbours reported that the two family cars were on fire. The blaze, ignited with kerosene, was put out with the help of the neighbours and firemen. One of the cars was gutted, the second was less damaged. Siniora said police began questioning people immediately, but Jerusalem police chief Yosef Yehudai said it would be "very difficult" to find the arsonists.

Siniora has encountered heavy criticism of his initiative from local Palestinians and the PLO, and was denounced in graffiti recently sprayed on walls in East Jerusalem. A pamphlet condemning his move, signed by 15 leading Moslem clerics, including the sheikh of the Aksa Mosque, was distributed Friday.

Siniora asserted yesterday that he had not accepted Israel's annexation of East Jerusalem, but had called for "dual sovereignty" in the city, which he said should be the capital of both a Palestinian state and Israel. Initial responses from foreign legal experts he has consulted indicated that running for the municipal council would not prejudice Palestinian claims to sovereignty over East Jerusalem, he said.

According to some political observers the PFLP acted against Siniora in an attempt to bolster its standing in the territories, following the smashing of a PFLP ring allegedly responsible for the assassination of Nablus mayor Zafer al-Masri.

In other West Bank developments, security forces Saturday night arrested two Palestinian activists and put them in administrative detention for six months.

Abdel Hamid Jabrin, 19, of Sair village, is accused of organizing demonstrations and strikes as a Fatah activist. Mutlak Kassas, 20, of the Dehaishe refugee camp, is accused of being a PFLP organizer. About 70 Palestinians in the territories are now held in administrative detention.

EGGED

(Continued from Page One)

Nissim put his foot down, saying that the Treasury would not accept the proposal for a check of the cooperative's complaints by experts, because the cooperative is in contempt of court.

Nissim said that until Egged learned to respect court orders and keep its commitments to refrain from sanctions or punitive action against the public, he would not start talking about solutions to the financial crisis.

Acting Transport Minister Moshe Arens said he had met former Egged secretary Shlomo Levin and asked him to end the sanctions, but to no avail. Minister-without-Portfolio Yosef Shapira said the public could not carry on much longer with the strain and uncertainty of not being able to get to work, and then not being able to return home after work.

In another development, the Hight Court of Justice yesterday refused to permit the bus cooperative to appeal against temporary restraining orders issued by the Jerusalem District Court ordering it not to strike its services. The court ruled that there was no cause for an appeal, as there would be further discussions in the district court.

The opposition group within the bus cooperative, Ya'ad, called on Minister of Labour and Social Affairs Moshe Katzav, who is responsible for the cooperative, to declare new elections in Egged. The opposition said that the need for elections was caused by the resignation of the current management. Apart from that, elections have always been held every two years in Egged and there have been no elections for the past three years.

At the same time, the Ministry of Transport was yesterday looking into the possibility of giving some of Egged's lines to private bus companies.

The national supervisor of transport of the ministry met with representatives of the roof organization of the private bus companies to discuss the possibility of private companies running some of Egged's lines.

Eleven members of Egged's executive yesterday tried to convene the 29-member body to discuss further strike action. The executive failed to meet when less than a quorum of 16 showed up.

READERS' LETTERS

AMERICAN JEWISH LEADERSHIP

To the Editor of The Jerusalem Post

Sir, – Moshe Kohn's article, "American Jewish leaders – Who speaks for whom? (June 18) is typical of a certain schizophrenic and unfortunately, snide Israeli attitude towards American Jewry. Various Israeli leaders and would-be pundits are more than willing to enlist, to encourage, and to exploit the American Jewish connection, the Conference of Presidents of Major American Jewish Organizations, American Jewish opinion, American Jewry, and yes, even the American Jewish Congress, on vital and important issues for which they need support. They have no discomfort with the backing of a "united American Jewry – five million strong, speaking with one voice" as long as it is in support of their opinion or view. However, the moment variance, difference or opposition raises its ugly head, the Moshe Kohns of Israel launch their tired refrain of who speaks for whom? Who elected them? Which are the leading American Jewish organizations?

Even worse is the concomitant "Emperor is naked" syndrome, or compulsion to reveal how weak, divided, unknowledgeable, impotent, uncaring, and uninvolved is the majority of American Jewry. That "only 15 per cent have ever visited Israel" or the roster of "only's" cited by Kohn, are typical of this syndrome.

Perhaps the only significance of Kohn's "only's" is only that such a small, caring, involved segment of American Jewry has been able to do so much for so long.

If Moshe Kohn believes that there is another American Jewish community hiding out there somewhere, or an undiscovered silent majority, or an alternative Jewish leadership, perhaps he, and those who think like him, might reveal who and where they are.

Until that time, the organized American Jewish community, with all its failings, shortcomings, and only's, is all we have.

DAVID CLAYMAN,
Director,
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